

The job market in 2000: slowing down as the year ended

As the unemployment rate edged down to a 31-year low, the job market entered an unprecedented 10th year of expansion, though job growth slowed a bit in the second half of the year

Jennifer L. Martel
and
David S. Langdon

The Nation's current economic expansion entered its 10th year in 2000, becoming the longest expansionary period on record. However, by the end of the year, signs emerged that the rate of expansion was slowing.

In the first half of the year, the Federal Reserve continued to raise interest rates as part of a policy designed to slow the economy and keep inflation in check.¹ The Federal Reserve aimed to bring the economy in for a "soft landing." Real gross domestic product (GDP) was relatively strong during the first half of the year, growing at an annual rate of 4.8 percent in the first quarter and 5.6 percent in the second quarter. By the third quarter, however, the rate of growth slowed to 2.2 percent.² The deceleration in real GDP primarily reflected downturns in inventory investment and in Federal Government spending, and a deceleration in nonresidential fixed investment.³

Nonfarm payroll employment continued to grow in 2000, at an average over-the-year rate of 2.3 percent in first half of the year, 2.0 percent in the third quarter, and 1.6 percent in the fourth quarter. Most of the job growth in 2000 occurred in the service-producing industries. Mining employment also increased, in re-

sponse to rising oil prices. Employment in construction slowed over the year, affected by the rise in interest rates. Manufacturing employment fell overall, although some industries related to information technology saw their payrolls increase. (See table 1.)

The unemployment rate was 4.0 percent in the fourth quarter of 2000, the lowest rate since 1969, and the proportion of the population that was employed remained at record-high levels. Workers in most major demographic groups benefited from the relatively healthy labor market in 2000, and the year was especially strong for minorities. Blacks and Hispanics both closed slightly their unemployment rate gap between whites, and blacks closed slightly their earnings gap between whites in 2000.

This article provides snapshots of several important developments or issues related to the U.S. economy and labor market in 2000. The primary sources of data are the Current Employment Statistics (CES) survey and the Current Population Survey (CPS).⁴ Both of these surveys are conducted monthly (See box on page 4.); however, quarterly averages are used in this analysis unless otherwise noted, and over-the-year changes are based on comparisons of fourth quarter 1999 and 2000 data, unless otherwise noted.

Jennifer L. Martel is an economist in the Division of Labor Force Statistics and David S. Langdon is an economist in the Division of Monthly Industry Employment Statistics, Bureau of Labor Statistics.

The price of oil, which had soared in 1999 and continued its ascent in 2000, did not seem to have a dramatic effect on industry employment trends in 2000.⁵ *Crude petroleum prices spent much of the year above \$30 per barrel, or more than 2.5 times their 1998 level and nearly 2 times higher than 1999's level. Their rise benefited some industries while hurting others.*

Tracing job growth or losses to a rise in energy prices is problematic in many industries, but it is relatively straightforward for *mining*. After falling by 44,000 in 1999, mining employment recovered partially last year.⁶ Its improvement came solely from hiring in *oil and gas extraction*, which brought on 21,000 workers, as rising oil prices spurred increased activity in this industry. The hiring halted in mid-summer, when crude petroleum prices stabilized somewhat, only to pick up again in autumn as oil prices rose.⁷ Even with the recovery in oil prices, however, other factors worked to temper job gains in oil and gas extraction. For example, merger activity in 1998–99 resulted in more streamlined operations requiring fewer workers.⁸ In addition, many oil and gas companies considered the high price of crude petroleum to be a temporary development; consequently, they were wary to invest in projects that would become unprofitable if prices fell again.⁹ So, although the

price of crude oil spent much of the year at the highest levels since the Gulf War, production and employment, while improving, did not fully recover from their 1998–99 decline. (See chart 1.)

That situation contrasted sharply with *petroleum refining*, in which production reached a record pace—while its employment slipped to its lowest level on record (this employment series begins in 1947).¹⁰ Output per employee rose nearly 38 percent between 1991 and 1997, while employment fell by 20 percent from a peak of 123,000 jobs. Refineries cut another 11,000 positions between 1997 and 1999, but trimmed payrolls by only 2,000 last year, possibly supported by the high price of oil.

Tracing the effects of the energy price hikes outside the petroleum industry is less straightforward. Despite the surge in energy prices, the overall effect on prices paid by producers and consumers was minimal. Growth in the Consumer Price Index for All Urban Wage Earners and Clerical Workers (CPI-W) accelerated slightly, to 3.4 percent (December 1999 to December 2000), and growth in average hourly earnings of production or nonsupervisory workers in the private economy notched up to 4.2 percent for the same period. Nevertheless, relatively flat real earnings and a 14-percent surge in gas prices did not

Conceptual differences between employment estimates from the Current Population Survey (household survey) and the Current Employment Statistics Survey (establishment survey)

The Bureau of Labor Statistics maintains two monthly data series on employment that are independently obtained: the estimate of total nonfarm jobs, derived from the Current Employment Statistics (CES) survey and the estimate of total employment, derived from the Current Population Survey (CPS).

The CES survey is an employer-based survey that provides data on the number of jobs within industries. The CPS is a survey of households that provides data on the labor force status (employed, unemployed, and not in the labor force) of individuals, and includes information on their demographic as well as socioeconomic characteristics. The surveys are largely complementary.

Employment estimates from the CPS are for persons in any type of work arrangement: wage and salary workers, self-employed persons, and unpaid workers in family businesses. To be considered employed, an *unpaid family worker* must have worked 15 hours or more in an enterprise operated by a member of the family. Estimates from the CES survey refer only to persons on nonfarm payrolls. As a result, the count of employment from the CPS is larger than from the CES survey.

Partially offsetting the higher estimates from the CPS is the fact that the CPS is a count of persons, and individuals

are counted only once, regardless of the number of jobs they hold. In contrast, the establishment survey is a count of jobs and includes each job for persons who work in more than one establishment.

There are other differences in the surveys' methodology and coverage. For example, the reference period for the CPS is the *week* that includes the 12th day of the month, while, for the CES survey, it is the *pay period* that includes the 12th of the month. Pay periods vary in length and can be longer than 1 week. It is therefore possible for the CES survey estimate of employment to reflect a longer reference period than that used for the CPS.

The "universe" for the CPS is the civilian noninstitutional population. This includes persons 16 years of age and older residing in the United States who are not inmates of institutions (for example, penal and mental facilities, homes for the aged), and who are not on active duty in the Armed Forces. In this regard, the coverage of the CES survey is broader: there is no age restriction in the CES, uniformed military personnel who hold civilian jobs are covered because of their civilian employment, and persons who commute into the United States from Mexico or Canada to work are counted as employed.

Table 1. Employees on nonfarm payrolls by industry, seasonally adjusted quarterly averages, 1994–2000

[Numbers in thousands]

Industry	Fourth quarter 1994	Fourth quarter 1999	Fourth quarter 2000	Change, fourth quarter to fourth quarter					
				1998 to 1999		Average, 1995 to 1999		1999 to 2000	
				Thousands	Percent	Thousands	Percent	Thousands	Percent
Total nonfarm	115,598	129,783	131,863	2,816	2.2	2,837	2.3	2,080	1.6
Total private	96,379	109,507	111,415	2,491	2.3	2,626	2.6	1,908	1.7
Goods-producing	24,163	25,524	25,624	55	.2	272	1.1	100	.4
Mining	596	529	540	-44	-7.7	-13	-2.4	11	2.1
Metal mining	49	45	44	-2	-4.3	-1	-1.7	-1	-2.2
Oil and gas extraction	332	289	310	-35	-10.8	-9	-2.7	21	7.3
Nonmetallic minerals, except fuels	105	112	108	0	.0	1	1.3	-4	-3.6
Construction	5,089	6,513	6,736	334	5.4	285	5.1	223	3.4
General building contractors	1,210	1,469	1,522	61	4.3	52	4.0	53	3.6
Heavy construction, except building	746	877	882	18	2.1	26	3.3	5	.6
Special trade contractors	3,132	4,167	4,332	254	6.5	207	5.9	165	4.0
Manufacturing	18,478	18,482	18,347	-234	-1.3	1	.0	-135	-.7
Durable goods	10,583	11,085	11,047	-90	-.8	100	.9	-38	-.3
Lumber and wood products	768	831	808	11	1.3	13	1.6	-23	-2.8
Furniture and fixtures	513	553	553	15	2.8	8	1.5	0	.0
Stone, clay, and glass products	537	564	562	0	.0	5	1.0	-2	-.4
Primary metal industries	709	698	687	-10	-1.4	-2	-.3	-11	-1.6
Fabricated metal products	1,415	1,520	1,532	7	0.5	21	1.4	12	.8
Industrial machinery and equipment	2,015	2,131	2,126	-52	-2.4	23	1.1	-5	-.2
Computer and office equipment	350	370	362	-8	-2.1	4	1.1	-8	-2.2
Electronic and other electrical equipment	1,594	1,672	1,724	-10	-.6	16	1.0	52	3.1
Electronic components and accessories	556	639	693	-4	-.6	17	2.8	54	8.5
Transportation equipment	1,789	1,870	1,811	-38	-2.0	16	.9	-59	-3.2
Motor vehicles and equipment	947	1,022	988	13	1.3	15	1.5	-34	-3.3
Aircraft and parts	469	474	456	-50	-9.5	1	.2	-18	-3.8
Instruments and related products	850	849	850	-17	-2.0	0	.0	1	.1
Miscellaneous manufacturing industries	393	398	394	7	1.8	1	.3	-4	-1.0
Nondurable goods	7,895	7,397	7,300	-145	-1.9	-100	-1.3	-97	-1.3
Food and kindred products	1,679	1,674	1,669	-8	-.5	-1	-.1	-5	-.3
Tobacco products	42	38	37	-2	-5.0	-1	-2.0	-1	-2.6
Textile mill products	681	550	530	-34	-5.8	-26	-4.2	-20	-3.6
Apparel and other textile products	976	672	628	-64	-8.7	-61	-7.2	-44	-6.5
Paper and allied products	695	665	657	-8	-1.2	-6	-.9	-8	-1.2
Printing and publishing	1,543	1,549	1,558	-14	-.9	1	.1	9	.6
Chemicals and allied products	1,046	1,031	1,024	-11	-1.1	-3	-.3	-7	-.7
Petroleum and coal products	150	132	129	-5	-3.6	-4	-2.5	-3	-2.3
Rubber and miscellaneous plastics products	973	1,009	996	7	.7	7	.7	-13	-1.3
Leather and leather products	111	76	72	-6	-7.3	-7	-7.3	-4	-5.3
Service-producing	91,435	104,259	106,240	2,761	2.7	2,565	2.7	1,981	1.9
Transportation and public utilities	6,059	6,895	7,063	198	3.0	167	2.6	168	2.4
Transportation	3,829	4,451	4,565	119	2.7	124	3.1	114	2.6
Railroad transportation	241	226	220	-5	-2.2	-3	-1.3	-6	-2.7
Local and interurban passenger transit	409	490	499	14	2.9	16	3.7	9	1.8
Trucking and warehousing	1,558	1,820	1,845	51	2.9	52	3.2	25	1.4
Water transportation	173	191	205	5	2.7	4	2.0	14	7.3
Transportation by air	1,043	1,247	1,308	50	4.2	41	3.6	61	4.9

See footnote at end of table.

Table 1. Continued—Employees on nonfarm payrolls by industry, seasonally adjusted quarterly averages, 1994–2000

[Numbers in thousands]

Industry	Fourth quarter 1994	Fourth quarter 1999	Fourth quarter 2000	Change, fourth quarter to fourth quarter					
				1998 to 1999		Average, 1995 to 1999		1999 to 2000	
				Thousands	Percent	Thousands	Percent	Thousands	Percent
Pipelines, except natural gas ...	16	13	12	-1	-7.1	-1	-4.1	-1	-7.7
Transportation services	388	465	476	6	1.3	15	3.7	11	2.4
Communications and public utilities	2,230	2,444	2,498	79	3.3	43	1.8	54	2.2
Communications	1,306	1,580	1,645	79	5.3	55	3.9	65	4.1
Electric, gas, and sanitary services	924	863	853	-1	-1	-12	-1.4	-10	-1.2
Wholesale trade	6,261	6,988	7,091	153	2.2	145	2.2	103	1.5
Durable goods	3,625	4,164	4,207	92	2.3	108	2.8	43	1.0
Nondurable goods	2,636	2,824	2,884	62	2.2	38	1.4	60	2.1
Retail trade	20,827	22,897	23,220	434	1.9	414	1.9	323	1.4
Building materials and garden supplies	855	1,008	1,020	46	4.8	31	3.3	12	1.2
General merchandise stores	2,650	2,757	2,752	-2	-1	21	.8	-5	-2
Department stores	2,314	2,410	2,405	-25	-1.0	19	.8	-5	-2
Food stores	3,310	3,498	3,521	7	.2	38	1.1	23	.7
Automotive dealers and service stations	2,151	2,381	2,430	36	1.5	46	2.1	49	2.1
New and used car dealers	981	1,092	1,121	38	3.6	22	2.2	29	2.7
Apparel and accessory stores ...	1,147	1,186	1,208	46	4.0	8	.7	22	1.9
Furniture and home furnishings stores	921	1,094	1,129	51	4.9	35	3.5	35	3.2
Eating and drinking places	7,173	7,967	8,096	131	1.7	159	2.1	129	1.6
Miscellaneous retail establishments	2,620	3,006	3,065	118	4.1	77	2.8	59	2.0
Finance, insurance, and real estate	6,851	7,605	7,649	125	1.7	151	2.1	44	.6
Finance	3,265	3,707	3,742	64	1.8	88	2.6	35	.9
Depository institutions	2,051	2,061	2,035	8	.4	2	.1	-26	-1.3
Commercial banks	1,479	1,473	1,446	-1	-1	-1	-1	-27	-1.8
Savings institutions	292	249	237	-5	-2.0	-9	-3.1	-12	-4.8
Nondepository institutions	468	705	690	13	1.9	47	8.5	-15	-2.1
Security and commodity brokers	522	708	768	45	6.8	37	6.3	60	8.5
Holding and other investment offices	224	233	249	-2	-9	2	.8	16	6.9
Insurance	2,230	2,377	2,360	22	.9	29	1.3	-17	-.7
Insurance carriers	1,542	1,610	1,585	5	.3	14	.9	-25	-1.6
Insurance agents, brokers, and service	687	767	775	17	2.3	16	2.2	8	1.0
Real estate	1,357	1,521	1,547	40	2.7	33	2.3	26	1.7
Services ¹	32,218	39,598	40,768	1,525	4.0	1,476	4.2	1,170	3.0
Agricultural services	576	779	808	47	6.4	41	6.2	29	3.7
Hotels and other lodging places	1,639	1,866	1,934	56	3.1	45	2.6	68	3.6
Personal services	1,146	1,252	1,287	40	3.3	21	1.8	35	2.8
Business services ¹	6,532	9,502	9,815	660	7.5	594	7.8	313	3.3
Services to buildings	872	997	1,005	37	3.9	25	2.7	8	.8
Personnel supply services	2,397	3,731	3,830	364	10.8	267	9.3	99	2.7
Help supply services	2,129	3,343	3,407	330	11.0	243	9.4	64	1.9
Computer and data processing services	1,000	1,881	1,979	172	10.1	176	13.5	98	5.2
Auto repair, services, and parking	989	1,191	1,209	30	2.6	40	3.8	18	1.5
Miscellaneous repair services	346	380	385	4	1.1	7	1.9	5	1.3
Motion pictures	456	624	633	43	7.4	34	6.5	9	1.4
Amusement and recreation services	1,354	1,698	1,794	74	4.6	69	4.6	96	5.7

See footnote at end of table.

Table 1. Continued—Employees on nonfarm payrolls by industry, seasonally adjusted quarterly averages, 1994–2000

[Numbers in thousands]

Industry	Fourth quarter 1994	Fourth quarter 1999	Fourth quarter 2000	Change, fourth quarter to fourth quarter					
				1998 to 1999		Average, 1995 to 1999		1999 to 2000	
				Thousands	Percent	Thousands	Percent	Thousands	Percent
Health services ¹	9,079	10,040	10,209	133	1.3	192	2.0	169	1.7
Offices and clinics of medical doctors	1,567	1,898	1,953	63	3.4	66	3.9	55	2.9
Nursing and personal care facilities	1,664	1,786	1,794	8	.4	24	1.4	8	.4
Hospitals	3,760	3,994	4,044	35	.9	47	1.2	50	1.3
Home health care services	588	637	644	-5	-.8	10	1.6	7	1.1
Legal services	924	1,005	1,015	21	2.1	16	1.7	10	1.0
Private schools and other educational services	1,906	2,304	2,372	88	4.0	80	3.9	68	3.0
Social services ¹	2,265	2,866	3,035	166	6.1	120	4.8	169	5.9
Child day care services	541	719	788	70	10.8	36	5.9	69	9.6
Residential care	621	795	840	42	5.6	35	5.1	45	5.7
Museums and botanical and zoological gardens	79	99	104	4	4.2	4	4.6	5	5.1
Membership organizations	2,112	2,434	2,450	34	1.4	64	2.9	16	.7
Engineering and management services ¹	2,633	3,312	3,474	138	4.3	136	4.7	162	4.9
Engineering and architectural services	794	969	1,019	44	4.8	35	4.1	50	5.2
Management and public relations	743	1,060	1,134	51	5.1	63	7.4	74	7.0
Government	19,219	20,276	20,448	325	1.6	211	1.1	172	.8
Federal	2,854	2,646	2,615	-65	-2.4	-42	-1.5	-31	-1.2
Service	2,024	1,780	1,761	-52	-2.8	-49	-2.5	-19	-1.1
State government	4,624	4,724	4,759	83	1.8	20	.4	35	.7
State government, except education	2,717	2,743	2,771	40	1.5	5	.2	28	1.0
State government education	1,907	1,981	1,989	43	2.2	15	.8	8	.4
Local government	11,741	12,905	13,073	306	2.4	233	1.9	168	1.3
Local government, except education	5,220	5,581	5,686	117	2.1	72	1.3	105	1.9
Local government education	6,521	7,325	7,387	190	2.7	161	2.4	62	.8

¹Includes other industries not shown separately.

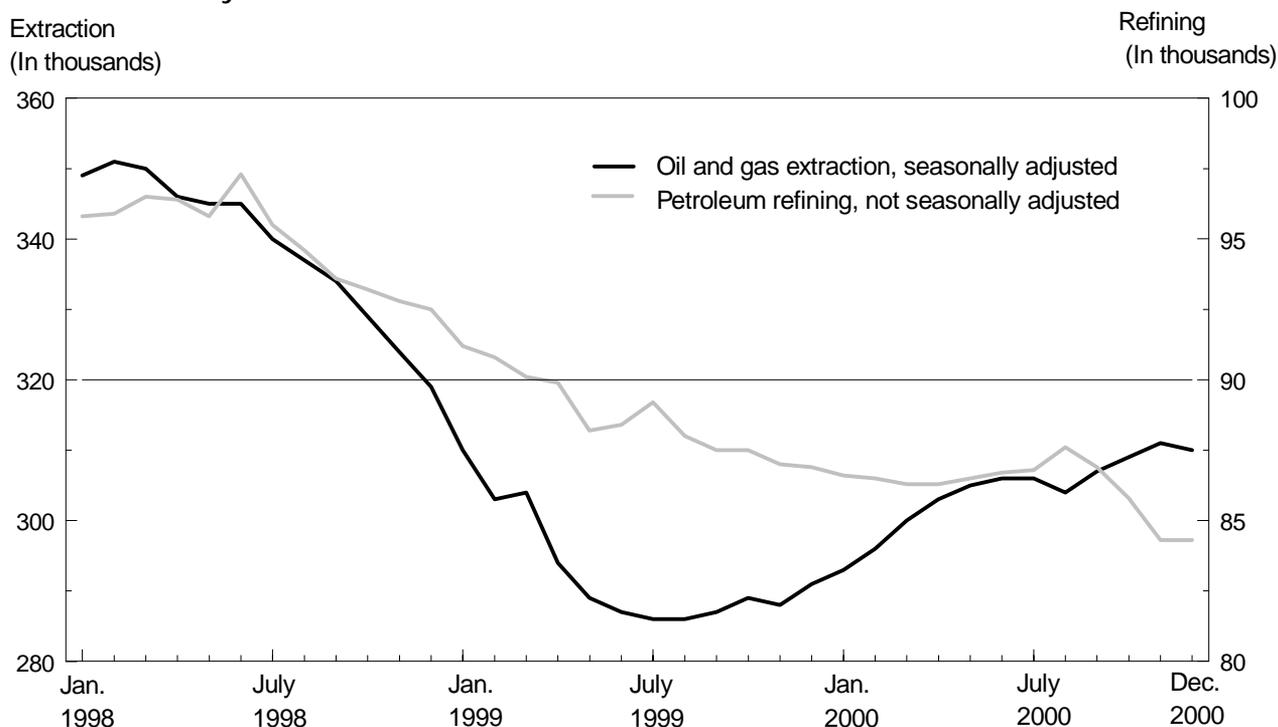
keep consumers away from new cars and light trucks.¹¹ Americans beat 1999's sales record by purchasing 17.4 million vehicles.¹² Moreover, consumers' appetite for less fuel-efficient trucks and sport utility vehicles (SUVs) did not seem to be affected at all. For the 2000 model year, sales of pickup trucks remained very high, and for the first time ever, SUVs beat pickup trucks in sales.¹³

Employment in *motor vehicles and equipment* manufacturing reflected that intensity during the first half of the year, but it plummeted in summer. Overall, motor vehicle manufacturers reduced their payrolls by 34,000 jobs last year. Part of the decline reflected the expanding competition from import cars and, especially, light trucks. Domestic manufacturers resorted to hefty incentives to move certain poor-selling, year-2000 models; indeed, the CPI for new cars and trucks was about unchanged over the year. Although those programs "moved the metal," they also dragged down profits, which led some companies to curtail production and employment. Yet, the real

drag on motor vehicle employment came not from cars and light trucks, but rather from the heavyweights of the motor vehicle industry—heavy trucks and motor homes.

While rising fuel prices did not appear to adversely affect consumers' demand for light trucks, rising diesel prices did have a wide range of effects on the trucking industry. Intense competition among trucking companies made it difficult for firms, especially the smallest ones, to pass on the climbing fuel costs to their customers in the form of fuel surcharges. Indeed, the Producer Price Index (PPI) for motor freight transportation and warehousing increased by only 4.9 percent over the year, versus the 23.8-percent jump in retail on-highway diesel prices. At the same time, interest rates, insurance payments, and the cost of recruiting long-haul drivers also pushed costs upwards, while a decline in truck tonnage cut into revenues.¹⁴ Together, these factors dramatically slowed, but did not stop, hiring in *trucking and warehousing*. (See chart 2.) The industry added 25,000 workers last year, its weakest hiring level since 1992.

Chart 1. Employment in oil and gas extraction and petroleum refining, January 1998 – December 2000



SOURCE: Bureau of Labor Statistics, Current Employment Statistics survey.

Not only did trucking firms cut back on hiring, but they also dramatically reduced their orders for new rigs. These cutbacks came on the heels of 2 years of record sales, but the increasing costs and lower demand for freight transport hastened an anticipated pullback in sales.¹⁵ As a result, sales of the biggest rigs plunged 20 percent from their 1999 level.¹⁶ Employment in truck tractor manufacturing took a similar turn. As a whole, employment declines among truck tractor manufacturers accounted for more than one-quarter of the job losses in motor vehicle manufacturing and also contributed to declines in *motor vehicle parts*.¹⁷ Employment in *truck and bus bodies* and *truck trailers* showed weaknesses as well. Both had shown strong job growth in 1999, but employment in truck and bus bodies was unchanged in 2000, while truck trailers lost 7,000 jobs; a 16-percent decline.

Motor home manufacturing paralleled the decline in heavy trucks. As fuel prices surged, the cost of traveling in motor homes rose. Interest rates also entered into the equation both for consumers and dealers. Since dealers generally finance their inventories, higher interest rates and falling sales pushed up their inventory carrying costs. As much as higher diesel prices tied together the fortunes of recreational vehicles (RVs) and heavy trucks, higher interest rates tied together the fortunes of these residences on wheels and of fixed residences, in other words, residential construction.

During the first part of the year, the Federal Reserve continued to raise interest rates.¹⁸ Construction was one area that was affected. For the year, the construction industry added about 223,000 jobs, a 33-percent drop from 1999's gains. Although declining mortgage rates in the second half of the year sparked some late-year hiring, this renewed strength was not sufficient to compensate for sluggish summer hiring.

In terms of real value put-in-place, residential construction activity decreased slightly in 2000, a marked pause after 1999's 6-percent growth.¹⁹ Slower home building translated into more moderate hiring in *residential building construction*. Employment in this industry expanded by 30,000 in 2000, a 42-percent reduction from its 1999 increase. Hiring in *special trade contractors* diminished as well, totaling 165,000 last year, versus 254,000 in 1999. The value of public construction projects, though perhaps less sensitive to interest rate fluctuations, also moderated in 2000, as its growth notched down from 4 percent in 1999 to 2 percent in 2000. That decline made its mark on *heavy construction*, which added only 5,000 workers, versus 18,000 in 1999. Yet, even as residential and public construction subsided, private nonresidential work expanded, with its real value put-in-place increasing by 7 percent or \$12.0 billion. Employment in nonresidential building construction did reflect this one area of strength, as it grew by 21,000, and exceeded its prior 5-year average annual gains of 16,000. In

short, as residential and building activity slackened, so did the employment growth in construction, and this weakening was only partially offset by strength in nonresidential construction.²⁰

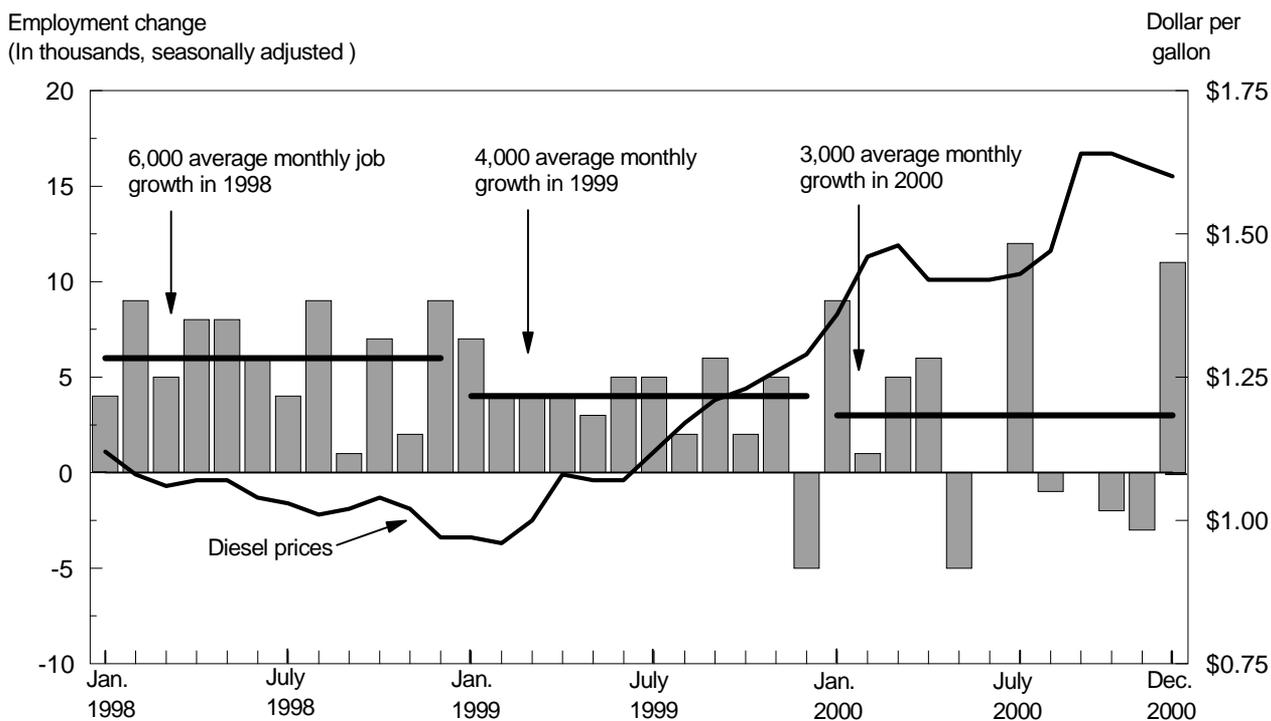
Real estate, like construction, sandwiched a weak spring and summer between strong hiring early and late in the year—thus reflecting the rise and fall in mortgage rates. Overall, employment grew by 26,000, a substantial slowdown from 1999's increase of 40,000. Mortgage rates also made a visible mark on employment in *mortgage banks and brokerages* (part of the *finance* industry), where the number of jobs slid by 21,000. Layoffs resulted from the sharp decline in mortgage refinancing. The value of refinance applications fell from 54 percent of total mortgage applications in the first quarter of 1999 to 17 percent in the third quarter of 2000.²¹ That decline occurred while sales of new and existing homes fell only slightly.

The slowdown in residential construction was mild, compared with the decline in manufactured homes. Shipments from January to October 2000 plummeted 26.0 percent, with respect to the same period in 1999. Loans for manufactured homes fall within the subprime lending market, which charges higher rates than conventional mortgages. Buyers of these homes tend to have relatively low incomes. As a result, rising

interest rates, together with tightening credit standards, hurt sales of manufactured homes particularly. Declining sales and rising inventories led the industry to cut production and employment.²² Job losses in *wood buildings and mobile homes* totaled 13,000, accounting for more than half the decline in *lumber and wood products* manufacturing.

At first, the remaining job losses in *lumber and wood products* seem to reflect the general slowing in residential construction. Indeed, demand for all construction supplies and materials peaked in March, and both domestic new orders and shipments decreased subsequently.²³ This decline in orders contrasts sharply with the prior year's high demand for construction supplies and the resulting reports of building material shortages.²⁴ Yet, the employment declines that appeared in *lumber and wood products*, and in *primary metals*, (two industries closely tied to construction) reflected not only the weak demand for wood and steel, but also the particularly weak demand for U.S.-produced wood and steel; for while their domestic output dropped, lumber imports remained steady, and primary metal imports sprang upwards.²⁵ In terms of employment, other construction-related manufacturing industries did not show as much weakening as lumber and primary metals. Indeed, employment in *stone, clay, and glass products* declined by only 2,000, after having been unchanged in 1999.

Chart 2. Over-the-month changes in trucking employment and on-highway diesel prices, January 1998 – December 2000



SOURCE: Employment data are from the Bureau of Labor Statistics, Current Employment Statistics survey; diesel prices are from the U.S. Department of Energy, Energy Information Agency.

As home sales moderated, so did the growth in the demand for furniture, appliances, and landscaping. Employment growth in *landscaping and horticultural services* fell to about one-third its 1999 rate. The “do-it-yourself” side of this market also weakened as sales growth in *building materials and garden supplies* stores slowed to 3.0 percent, versus 10.6 percent in 1999.²⁶ The industry’s employment trend matched that weakening as its rate of expansion declined from 4.8 percent in 1999 to 1.2 percent, with just 12,000 jobs added in 2000. The story was similar for *furniture and fixtures*, with both manufacturers and retailers sharply cutting their prior year’s rate of job growth. As for *household appliances* manufacturing, employment slipped by 6,000 in 2000, after having risen by 3,000 the year before.

Aside from construction, real estate, and their related industries, the other industries most directly affected by increasing interest rates were in *finance*. Although cross-industry mergers may have provoked some layoffs in these industries, their employment picture turned gray only once interest rates began their ascent. Such was the case with *depository institutions* as well, in which employment plummeted by 26,000, thus erasing its growth of the prior 2 years.

Rising interest rates also affected the stock market, indirectly. Concern about the direction of the economy and the ability of companies to post strong profits as operating costs rose contributed to large swings in stock prices and high volumes of daily trading. Although the market in no way matched 1999’s boom, the high trading volumes and record profits at brokerages spurred *security and commodity brokers* to expand their ranks by 60,000—a notable hiring pace even for an industry that added 37,000 workers a year, on average, between 1994 and 1999.²⁷

Increasing international trade affected several manufacturing industries. *Aircraft and textiles saw their job losses diminish as they benefited from improving foreign demand. In contrast, rising imports contributed to employment declines in logging, primary metals, and apparel.*

Steel imports, particularly from the Ukraine, China, and India, surged 9.1 percent last year, as the U.S. dollar gained strength against foreign currencies.²⁸ These elements—along with the world steel industry’s overcapacity—hurt domestic producers, as *primary metals industries* cut 11,000 workers from payrolls last year.²⁹ Although that employment decline about matched the 10,000 drop in 1999, their similarity merely reflects the passing improvement in this industry in late 1999 and early 2000. During that period, steel prices rose and brought production and employment levels up also. Yet, these gains were short-lived, as prices slid midyear and the job losses resumed.³⁰

In the *logging* industry, imports from January to November 2000 rose 30.7 percent, compared with the same period in 1999, even while residential construction slowed.³¹ Those two

factors contributed to the 5,000 workers cut from logging payrolls last year. This is a change from the normal pattern. Trade has traditionally favored logging, which maintained a trade surplus and relatively steady payrolls throughout the 1990s.

Apparel, by contrast, has suffered from rising trade deficits and falling employment during most of that period. In 2000, apparel’s job losses totaled 44,000. Although that decline was markedly milder than the 64,000 jobs shed in 1999, it represented the largest job losses among nondurable goods manufacturing last year.³² Indeed, from 1994 to 1999, apparel employment plunged by nearly one-third, or 304,000. Increasing imports pushed the industry’s trade deficit up 17.3 percent between January and November 2000, with respect to the same period in 1999.

Unlike apparel, the *textile* industry benefited from actual gains in international trade last year. Exports increased to the Americas and, to a lesser extent, Asia, and probably helped slow the shedding of textiles jobs.³³ Through November 2000, exports of fabric and yarn grew about 18 percent, with respect to the same period in 1999. Fabric even achieved a slight trade surplus.³⁴ Trade legislation that passed last year created incentives for fabric and yarn exports to several regions.³⁵ In spite of the improvements in exports, *textile* employment continued to fall. Its 20,000 decline, however, was mild, compared with the 34,000 drop in 1999. Furthermore, last year’s job losses were concentrated in only three industries: *knitting mills*; *textile finishing, except wool*; and *carpets and rugs* (for which losses were related to the slowdown in residential construction). In prior years, however, the declines tended to be more widespread—much like they continue to be in the apparel industry.³⁶

U.S. trade with Asia benefited not only the textiles industry, but also the *aircraft* industry. Asia’s 1997 financial crisis had hurt U.S. aerospace manufacturers significantly, as Asian airlines delayed or canceled orders. In 2000, however, U.S. manufacturers’ aircraft order books filled up again, thanks partly to Asia’s improving economies, which spurred renewed orders for commercial aircraft.³⁷ U.S. carriers also contributed important bookings, and so unfilled orders for aircraft and parts reached their highest levels since 1998.³⁸ As the backlog of orders increased, the aircraft industry’s job losses abated. For the year, employment fell by 18,000 jobs, or about one-third its 1999 decline, with most of the declines coming in the first half of the year. Data on aircraft’s average workweek provide another sign of the industry’s improvement. The average of total weekly paid work hours, as well as those that are overtime hours, rose throughout the year for total gains of 1.1 and 1.6 hours, respectively. Nonetheless, they still remained below their 1997 levels, that is, below their levels prior to the recession that affected many Asian economies.

Legislative changes factored into the employment developments in health services and social services—industries in

which employment is closely tied to demographics and government funding. Within health services, home health care services and hospitals benefited from the implementation of (separate) medicare prospective payment systems. The transition from the Job Training Partnership Act to the Workforce Investment Act shifted the seasonal hiring patterns in State, local, and private social services.

Higher medicare payments coincided with renewed hiring in the home health care industry. Home health's Prospective Payment System marked the end of the Interim Payment System mandated by the 1997 Balanced Budget Act. Announced in late June and effective October 1, 2000, the medicare prospective payment system reimburses home health agencies by a predetermined amount per 60-day treatment "episodes," and the reimbursement is adjusted for the level of patient care and regional wage differences.³⁹

The move to the prospective payment system was the second significant funding increase for home health agencies since the cutbacks mandated by 1997's Balanced Budget Act. The first increase had come with the November 1999 passage of the Balanced Budget Refinement Act, which partially restored funding that had been cut under the Balanced Budget Act.⁴⁰ As chart 3 illustrates, the moderate recovery in home health care employment began about when the 1999 Balanced Budget Refinement Act was passed. As further reimbursement in-

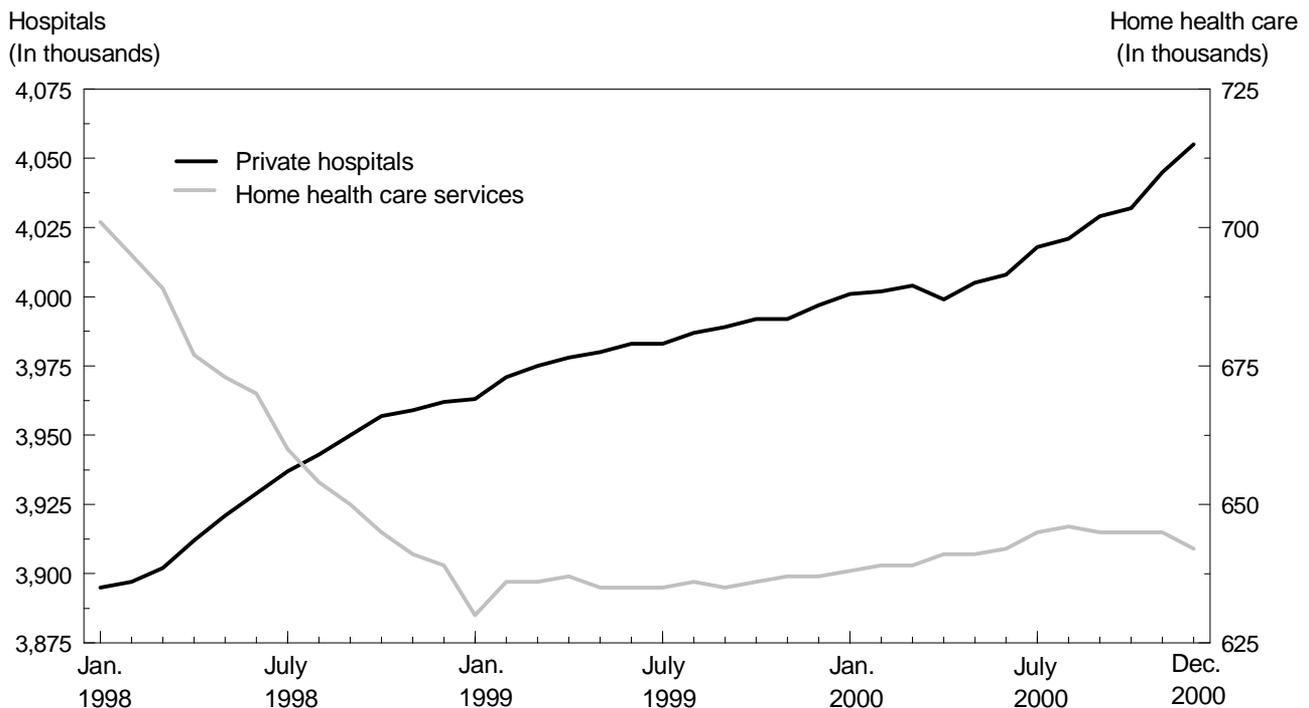
creases were provided in the prospective payment system, providers expanded their staffs last year by 7,000. This gain represented a modest recovery after the industry had lost 68,000 jobs in 1998 and another 5,000 in 1999.

Hospitals also benefited from higher medicare reimbursements in both 1999 (for inpatient services) and 2000 (for outpatient services). Inpatient medicare reimbursements rose under the Balanced Budget Refinement Act of 1999. On August 1, 2000, the hospitals' outpatient prospective payment system took effect, and, like its home health care cousin, it was expected to result in increased medicare reimbursements.⁴¹

The impact of higher medicare payments on employment was not as clear in hospitals as in home health care, possibly because of factors such as decreased managed care and other private sector payments, which hurt hospital operating margins through 1999.⁴² Reports covering last year indicated that hospital profits began to recover to some extent.⁴³ Private hospitals kept expanding their payrolls last year, with employment rising by 50,000. That pace topped 1999's increase of 35,000 jobs, as well as surpassing the industry's annual average gains between 1994 and 1998. In contrast to private hospitals, local government hospitals had lost jobs each year from 1994 through 1998, and then added 4,000 workers in 1999 and 13,000 in 2000.

Social services also were affected by legislative changes in 2000. The transition from the Job Training Partnership Act

Chart 3. Employment in hospitals and home health care services, seasonally adjusted, January 1998 – December 2000



SOURCE: Bureau of Labor Statistics, Current Employment Statistics survey.

(JTPA) to the Workforce Investment Act affected the typical summer hiring patterns in *private*, *State*, and *local social services*, although it is unlikely that the new legislation affected annual employment growth rates. Historically, the JTPA's summer programs provided for about 8 weeks of part-time employment for youth, who worked in government or private, non-profit agencies. Under the Workforce Investment Act (passed on August 7, 1998 and implemented in 2000), the summer youth program was integrated into the general youth services, which focus on a full year of training and activities, and not just summer employment.⁴⁴ In addition, not all States had completed their transition by summer, which delayed the funding and implementation of the new program even as the JTPA program funding had expired.⁴⁵ Even States that were prepared for the transition provided jobs for fewer youth, because the full-year focus of the Workforce Investment Act required greater funding per participant, although its budget did not rise.⁴⁶ These factors translated into greatly reduced summer hiring in private, State, and local social services—the industries in which employment of youth under JTPA had been concentrated.

Although summer hiring fell, the overall employment trends in these industries remained constant. In 2000, private social services employment grew by 169,000, or 6 percent, thus matching its 1999 growth rate. Employment in State social services was unchanged in 2000, as in 1999, while local social services added 4,000 workers.

Information technology (IT) has created thousands of jobs, but not all IT-related industries benefited during 2000. In general, industries dealing with semiconductors showed the strongest gains while growth in computer manufacturing and trade faltered.

The broadening scope of IT had mixed employment effects in 2000. Employment in semiconductor manufacturing and trade rose precisely because of the ever-widening range and sophistication of products incorporating information technology. At the same time, the most “classic” instrument of IT, the personal computer, showed signs of becoming a mature industry, as business and consumer PC sales dropped.⁴⁷ Overall computer production did grow, but remained well below capacity, and employment in the industry declined. Employment related to the wholesale and retail sale of computers weakened. In short, “information technology” connections did not necessarily translate into exceptional employment growth in 2000.

Last year, employment in *electronic components and accessories*—primarily, the semiconductor industry—surged by 54,000. As the year progressed, industry news increasingly announced a slowdown in semiconductor sales, and cited a possible production overcapacity. Slowing demand, however, did not imply weak demand; indeed, the book-to-bill ratio, which compares orders to shipments, spent much of the year above

1999's level.⁴⁸ Instead of slowing, hiring accelerated during the year.

Other manufacturers of IT equipment also hired additional staff, albeit at a much slower pace than semiconductors. *Communications equipment* added 7,000 workers, mostly in *telephone and telegraph apparatus* and *radio and television and communications equipment*. The former produces equipment used to provide land wiring for the Internet; the latter produces cellular telephones.

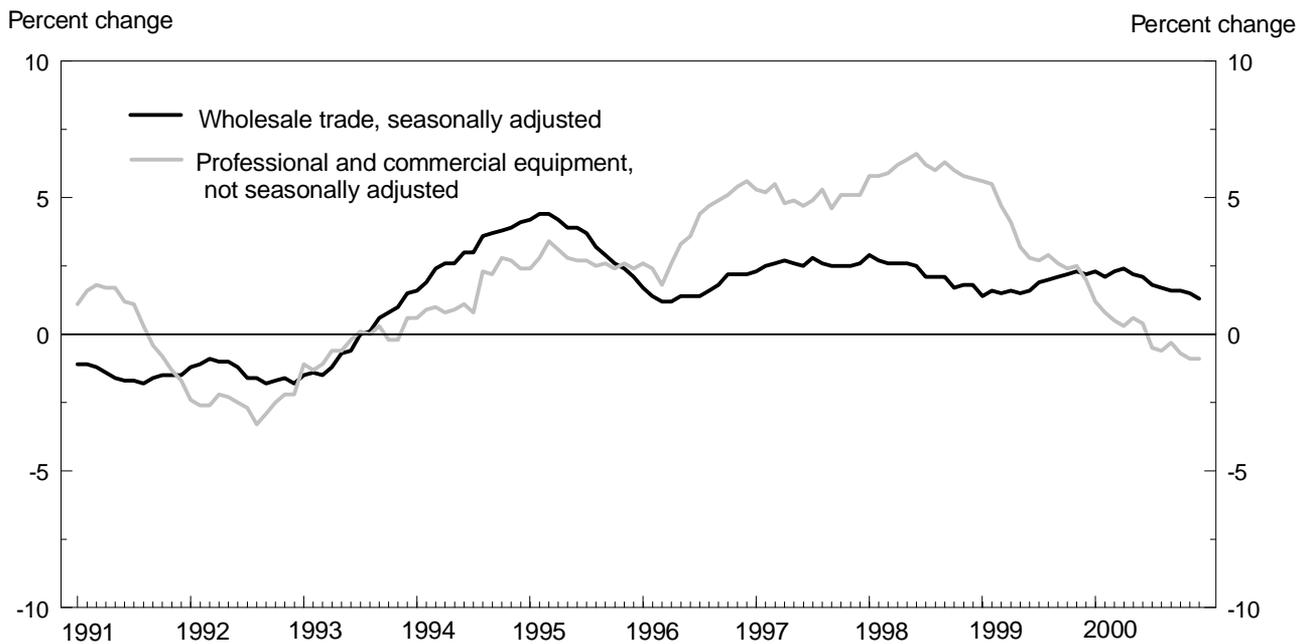
Industrial machinery, which includes computers, also partially played a role in IT-related manufacturing, although its role did not translate into job growth. While production and exports of *computers and office equipment* maintained their ascent last year, the industry's work force shrank by 8,000. Both semiconductor and computer manufacturers enjoyed extraordinary productivity gains in the 1990s.⁴⁹ One key difference between them—which underscores the strength in product demand in the semiconductor industry, compared with computer manufacturing—was that semiconductor plants operated most of 2000 at or near their reported peak capacity, whereas computer plants operated at about 80 percent capacity.⁵⁰ Acceleration or deceleration in employment growth in semiconductors consistently precedes similar changes in the industry's production capacity, and that was likely the case last year, as this industry accelerated its hiring even after its plants reached their estimated peak output levels.⁵¹

By cutting jobs, computers and office equipment acted practically alone among IT-related manufacturers. In contrast, *special industrial machinery* and *miscellaneous industrial and commercial machinery* each brought on 5,000 workers. As a whole, these industries may have benefited from semiconductor industry's acute need to expand, and thus purchase industrial equipment.⁵²

Computer manufacturing demonstrates that not all IT industries stood out in terms of job growth. The IT-related parts of *wholesale and retail trade* provided even more evidence. (See charts 4 and 5.) In 2000, *professional and commercial equipment* distribution (which includes computers) cut 8,000 jobs after having brought on 22,000 in 1999, and thus accounting for some of the slowdown in wholesale trade. Employment growth, however, continued in *electrical goods* distribution. Riding the strength of semiconductor trade, electrical goods wholesalers brought on 24,000 workers, thus exceeding their prior 5-year average yearly gains of 18,000.

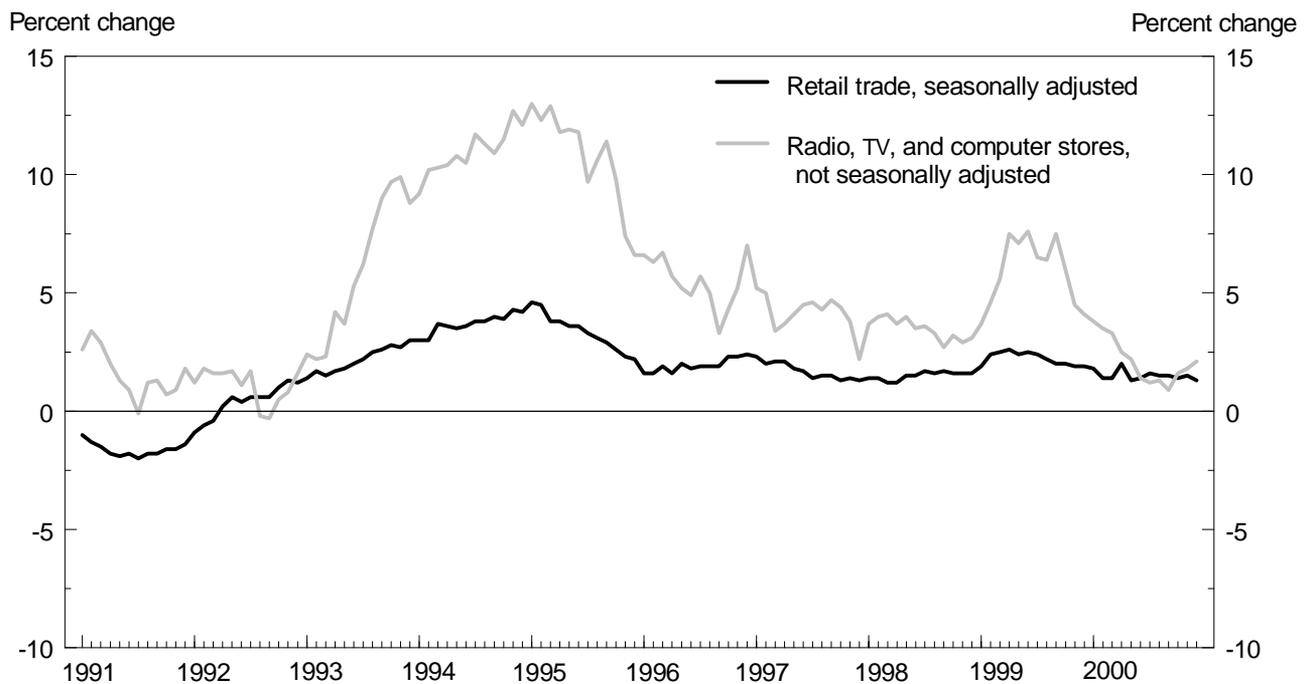
The only distinguishable IT component of retail trade is *radio, TV, and computer stores*. Between 1994 and 1999, employment in these stores had surged by about 5 percent annually, consistently above retail trade as a whole. In 2000, however, that difference disappeared, as their growth rate dropped to about 1.8 percent. Although last year's declining computer sales would have hurt these stores, sales of other consumer electronics increased by 14 percent.⁵³ Outside competition probably best explains the employment slowdown in radio, TV,

Chart 4. Information technology in wholesale trade, over-the-year percent change in employment, 1991–2000



SOURCE: Bureau of Labor Statistics, Current Employment Statistics survey.

Chart 5. Information technology in retail trade, over-the-year percent change in employment, 1991–2000



SOURCE: Bureau of Labor Statistics, Current Employment Statistics survey.

and computer stores. Part of it came from discount department stores, which increasingly used electronics promotions to get customers in the door.⁵⁴ Further competition came through the Internet, especially from computer companies that sell their wares online.⁵⁵

Like semiconductors in manufacturing, software was a pillar of employment growth among IT-related computer service industries in 2000. *Prepackaged software* brought on 39,000 workers, thus equaling its 1999 expansion. Other computer service industries, such as programming, information retrieval, data processing, and consulting, did not fare as well, with employment growth plummeting in many industries from their 1999 rates. Demand for some IT services may have slackened as work to ready systems for Y2K was completed. Nonetheless, it is also likely that computer services may have been constrained less by demand than by the supply of labor.

Did labor shortages contribute to a slowdown in job growth in some industries? Last year, total nonfarm payrolls expanded by 2.1 million jobs, or 1.6 percent, an impressive figure, but the weakest seen since 1992. The general economic factors already presented certainly justify the reduced hiring in many industries. Unemployment, nonetheless, remained low throughout the year, and anecdotal evidence suggested that some firms still had trouble recruiting.⁵⁶ So, the question emerges whether the slowdown was partly caused by a labor shortage.

What (indirect) evidence of shortages, then, can data from the establishment survey provide?⁵⁷ At first look, it seems implausible that *business services* would have suffered from recruiting difficulties. In 2000, business services once again added more jobs than any other industry, its payrolls expanding by 313,000 workers.⁵⁸ Yet, its growth rate sank more than most industries and reached its lowest level since the 1991 recession. Within business services, *personnel supply services* (which includes *help supply services*) and *computer and data processing services* experienced sharp slowdowns. Job growth in personnel supply slid from 11 percent in 1999 to 3 percent in 2000; in computer services, it dropped from 10 percent to 5 percent. General economic factors—such as higher interest rates and energy prices—certainly entered into the equation, particularly in personnel supply services, which cut 39,000 jobs in the fourth quarter. Revenues of temporary help agencies, as measured by sales of their services, saw their smallest percentage growth since the 1991 recession, although they had begun to cool in 1999.⁵⁹ But was this slowdown due to less demand for temporary staff or a shortage of workers to fill positions?

Anecdotal evidence continued to point to the difficulties temporary help firms had in recruiting.⁶⁰ Hiring less-skilled workers may not be an option for temporary staffing firms, which instead have witnessed the rise of the “portfolio workers,” independent professionals employed through staffing

services.⁶¹ That shifting demand toward higher-skilled workers may be leading firms into a “war for talent,” in which the weapons include training, health insurance, paid vacations, and money.⁶² Average hourly earnings growth in *help supply services* reached about 6.8 percent in 2000, after having increased 3.4 percent in 1999; for all services industries, earnings growth reached 4.4 percent, up from 3.7 percent in 1999. Help supply earnings remain, on average, relatively low, in spite of their rapid rate of growth. The same cannot be said for *computer and data processing services*, where earnings topped \$23 an hour, growing by 4.4 percent last year. Thus, there is some evidence from both help supply and computer services that worker shortages have served to bid up wages.

Engineering and management services also requires a skilled work force, but unlike business services, its 4.9-percent rate of job growth exceeded 1999’s rate. Furthermore, any recruiting troubles this industry may have had did not translate into higher pay. Indeed, earnings growth in engineering and management services decelerated to the point of falling below the rate of inflation.

Although residential building slowed last year, worker shortages still affected *construction*. Their influence, however, is unclear, and their effects may be offsetting. On the one hand, some firms that normally would have laid off employees when demand began to slacken decided instead to retain workers so they would be available when demand improved. On the other hand, those firms that wished to expand may have been constrained from hiring as many workers as necessary. Unlike business services, construction companies can, and have, resorted to filling some posts with less skilled workers than those traditionally recruited.⁶³ Such a “deskilling” of the construction work force could help hold down the earnings growth of construction workers, but that did not appear to take place last year. Earnings growth accelerated to 3.9 percent over the year, with higher growth rates throughout the year, compared with 1999. In short, construction, like business services, dealt with moderating employment growth, but accelerating wage gains.

Recruiting troubles are not necessarily restricted to industries in expansion. Just as these troubles may have diminished hiring in construction and business services, they may have led some *manufacturing* industries to diminish their layoffs. When needing to increase production, manufacturers have traditionally used overtime before hiring additional workers. Last year, however, the flip side of this story unfolded. Coinciding with renewed layoffs, the manufacturing workweek dove to its lowest level since 1992.⁶⁴ Furthermore, the industries that reduced their workweek the most tended to be the ones with a higher proportion of skilled production workers—just as they were the ones that increased their use of overtime the most during the post-recession 1990s.⁶⁵ The high cost of recruiting and training such workers may have made manufacturers wary to lay them off, especially given any uncertainty about how long any downturn would last,

choosing instead to reduce their work hours.

Although some evidence of skilled labor shortages emerges in construction, business services, and manufacturing, the same is not the case in several industries with a preponderance of low-paid, low-skilled positions. *Hotels, amusement and recreation services, and eating and drinking places* generally maintained their hiring pace last year. Rising somewhat from their 1999 growth rates were hotels, where employment rose by 3.6 percent, and amusement and recreation services, where it rose 5.7 percent. Eating and drinking places saw its hiring hold firm at 1.6 percent. Combined employment in these industries expanded by 293,000. Nonetheless, to find these workers, both lodging and dining establishments did have to resort to raising wage rates above 4.2 percent, the wage growth rate for all private industries. Earnings growth for workers in hotels rose to 4.8 percent over the year, versus 3.7 in 1999. In eating and drinking places, earnings growth reached 4.7 percent in 2000, up from 1999's strong 4.3 percent gain.

If a labor shortage were to emerge, it would most like occur during the seasonal hiring period when hundreds of thousands of workers are needed for temporary jobs. To analyze the amount of seasonal hiring that took place in these industries, it is necessary to look at the total change in their not-seasonally-adjusted employment series in the months leading up to the summer. For eating and drinking places, that buildup period lasts from February through June, while for hotels and amusement and recreation services, it lasts from February through July. In the latter industries, 2000's summer buildup surpassed every year of the 1990s. Hotels brought on 326,000 workers; a 14.4-percent increase from their 1999 seasonal hiring, while in amusement and recreation services, 647,000 workers came on board—a 17.4-percent increase. Seasonal hiring for eating and drinking places fell slightly from the levels in 1999, but by very little; it totaled 671,000 workers in 2000, versus 689,000 the year earlier. Although it is impossible to say whether these industries fell short of their seasonal hiring goals, it is clear that, as a group, they were able to exceed their prior years' results—at a cost of having to accept relatively high wage growth.

Anecdotal evidence has suggested that firms across many industries are having to deal with shortages. Employment and earnings data from the establishment survey does provide some indirect, but not conclusive, evidence of labor shortages, particularly of skilled workers, in business services, construction, and manufacturing. Yet, industries that rely on relatively low-skilled help did not appear to end up short-handed in 2000 either for year-round or summer workers, although their relatively high wage growth does indicate that firms did have some difficulty in staffing.

In recent years, the unemployment rate has been at 3-decade lows and employment has continued to expand, leading economists to look for signs of tightness in the labor market.

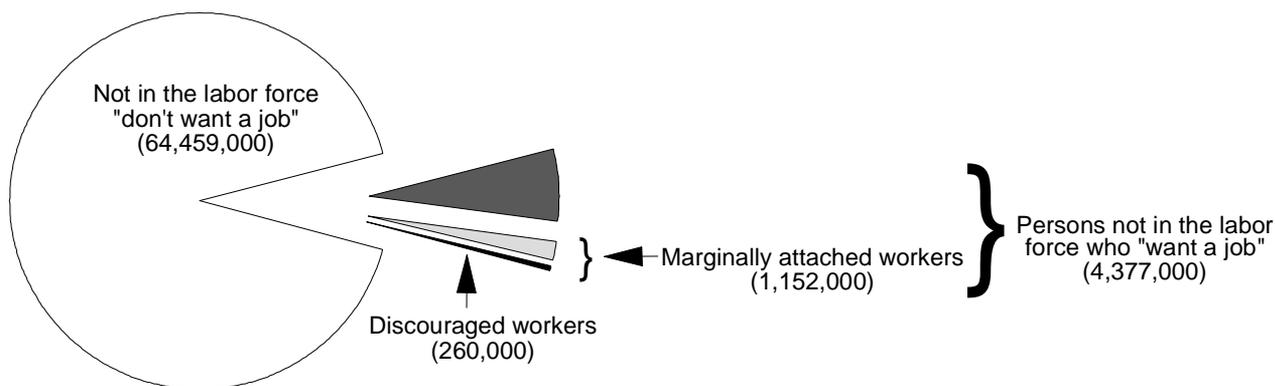
Concern has arisen as to whether the supply of workers would be adequate to meet growing demand; in fact, the previous section of this article suggests that supply may not have been adequate in certain industries. However, as continued employment growth did not result in accelerated wage gains, questions were once again raised as to where the supply of workers came from over the year. The cps is able to provide information that can be used, in a limited way, as a measure of the potential supply of workers. It is also able to show, to some degree, where the newly employed came from in 2000.

The cps provides data that can be used to identify two main groups of potential workers: unemployed individuals and persons not in the labor force who indicate that they currently want a job. There were 5.7 million unemployed persons and 4.4 million who were not in the labor force, but reported that they indeed wanted a job.⁶⁶ Of this latter group of persons, 1.2 million reported that they actually searched for work within the past 12 months and were available to take a job if one were offered; this group is often referred to as “marginally attached” to the labor force. Among marginally attached workers, 260,000 had looked for work in the previous 12 months, but were not currently looking,⁶⁷ because they believed that no jobs were available for them or that there were none for which they would qualify; this group is known as discouraged workers.⁶⁸ (See chart 6.)

Since 1994, the number of persons outside the labor force who want a job has declined by 30 percent.⁶⁹ The number who were currently available, and actually looked, for work within 12 months of being surveyed fell by 36 percent. The count of discouraged workers declined even more dramatically, by 48 percent between 1994 and 2000. These numbers suggest that there may have been significant movement into the labor force by those previously not participating.

Other potential sources of labor include persons not in the labor force who report that they do not want a job; an increase in the number of multiple jobholders; and population growth, including persons immigrating to the United States. In 2000, there were 64.5 million persons not in the labor force who, at the time of the survey, indicated that they did not want a job. However, it is possible that certain persons in this group would enter the labor force under the right conditions. For example, a retired 65-year-old who, in 1999, reported that he did not want a job because of concerns that his Social Security benefits would decrease might have changed his mind with the repeal, in 2000, of the Social Security “earnings test.”⁷⁰ Another example might be a mother who doesn't want a job because she is uncomfortable leaving her children with the child-care providers in her area. If conditions were to change—a trusted relative moved to the area and agreed to watch the children—she may then decide to look for employment. There are countless scenarios in which changing conditions may induce persons to enter the labor force, though previously, they were not interested.

Chart 6. Persons not in the labor force, annual average, 2000



NOTE: Persons not in the labor force who “want a job” are neither working nor currently looking for work, but have simply expressed a desire for a job. Marginally attached workers are persons who are not in the labor force, who want and are available for a job, and who have looked for work sometime in the past 12 months (or since the end of their last job if they held one within the past 12 months), but are not currently looking. Discouraged workers are a subset of the marginally attached who are not currently looking for work because they believe that no jobs are available or that there are none for which they would qualify.
 SOURCE: Bureau of Labor Statistics, Current Population Survey.

An increase in the number of persons working more than one job could be an additional source of labor. However, in recent years, the number of multiple jobholders has actually declined, from 8.0 million in 1997 to 7.6 million in 2000. Multiple jobholders made up 5.6 percent of all employed persons in 2000, down from 6.2 percent in 1996. There are several possible explanations for the decrease in the number of multiple jobholders. It may be that the strong economy has helped persons who previously worked two part-time jobs find one full-time job. Indeed, the number of persons working two part-time jobs has been on the decline, while full-time employment has grown. It is also reasonable to assume that the strong economy and increased earnings lessened the financial need to moonlight for workers who already had a full-time job.⁷¹

Persons immigrating to the United States are yet another potential source of labor.⁷² In 2000, the foreign-born population was 26.5 million. In recent years, the foreign born have accounted for a disproportionately large share of U.S. population growth. By 2000, the foreign born accounted for 12.5 percent of all employed persons in the U.S.⁷³ Of the foreign-born population that immigrated to the United States in 1999 and 2000, 57.0 percent (or 966,000) were employed in 2000; this figure tends to rise with the length of stay in the United States.⁷⁴

The labor market is very dynamic, with changes in employment reflecting both changes in population and changes in the proportion of the population that is employed; the latter is

largely tied to the performance of the economy. From 1999–2000, the civilian noninstitutional population increased by 2.2 million, and employment grew by about 1.8 million. About 76 percent of net employment growth can be attributed to the growth in population. That is, if the proportion of the population employed had not changed, employment still would have increased by about 1.4 million. However, the percent of the population with jobs increased slightly and that increase accounted for the balance (about 447,000 or 24 percent) of the total change in employment.⁷⁵

The labor market situation for minority workers improved notably in 2000. Indeed, both blacks and Hispanics managed to slightly close the unemployment rate gap between whites over the year. Employment increases were particularly strong for Hispanics. A summary of the labor market performance of various demographic groups and a review of other aspects of the changing job market provide further insight into the employment situation in 2000.

The labor market, as depicted by the CPS, was relatively healthy in 2000.⁷⁶ The number of employed persons continued to increase (by 1.4 million), though at a slower pace than in 1999.⁷⁷ The percentage of the population that was employed (the employment-population ratio) reached a record high of 64.6 percent in the first quarter of 2000 and ended the year at 64.4 percent, in line with 1999 levels. The number of unem-

Table 2. Employment status of the civilian noninstitutional population 16 years and older, by selected characteristics, quarterly averages, seasonally adjusted, 1999-2000

[Numbers in thousands]

Characteristic	Fourth-quarter 1999	2000				Change, fourth-quarter 1999 to fourth quarter 2000 ¹
		First quarter	Second quarter	Third quarter	Fourth quarter	
TOTAL						
Civilian labor force	140,003	140,737	140,815	140,706	141,208	1,328
Participation rate	67.1	67.4	67.3	67	67.1	0.0
Employed	134,263	135,036	135,181	135,049	135,593	1,447
Employment-population ratio	64.3	64.6	64.6	64.3	64.4	.1
Unemployed	5,740	5,700	5,634	5,657	5,616	-118
Unemployment rate	4.1	4.1	4.0	4.0	4.0	-0.1
Men, 20 years and older						
Civilian labor force	70,453	70,834	70,741	70,955	71,193	788
Participation rate	76.6	76.9	76.5	76.5	76.5	-0.2
Employed	68,076	68,487	68,426	68,644	68,768	739
Employment-population ratio	74.0	74.4	74.0	74.0	73.9	-0.1
Unemployed	2,377	2,347	2,315	2,310	2,425	49
Unemployment rate	3.4	3.3	3.3	3.3	3.4	0
Women, 20 years and older						
Civilian labor force	61,140	61,508	61,666	61,429	61,657	583
Participation rate	60.8	61.1	61.1	60.7	60.7	-0.1
Employed	58,925	59,273	59,399	59,203	59,546	684
Employment-population ratio	58.6	58.9	58.9	58.5	58.6	0
Unemployed	2,215	2,234	2,267	2,226	2,111	-102
Unemployment rate	3.6	3.6	3.7	3.6	3.4	-0.2
Both sexes, 16 to 19 years						
Civilian labor force	8,410	8,395	8,407	8,322	8,358	-42
Participation rate	52.2	51.9	52.4	52.1	52.3	.1
Employed	7,261	7,276	7,356	7,202	7,278	24
Employment-population ratio	45.1	45.0	45.9	45.1	45.5	.3
Unemployed	1,148	1,119	1,051	1,121	1,080	-67
Unemployment rate	13.7	13.3	12.5	13.5	12.9	-0.8
White						
Civilian labor force	116,919	117,579	117,535	117,468	117,729	873
Participation rate	67.3	67.6	67.5	67.3	67.3	-0.1
Employed	112,816	113,459	113,481	113,348	113,635	878
Employment-population ratio	64.9	65.2	65.1	64.9	64.9	0
Unemployed	4,103	4,120	4,054	4,121	4,095	-5
Unemployment rate	3.5	3.5	3.4	3.5	3.5	0
Black						
Civilian labor force	16,503	16,619	16,579	16,510	16,700	218
Participation rate	66	66.3	65.9	65.4	65.8	-0.2
Employed	15,170	15,322	15,306	15,258	15,452	302
Employment-population ratio	60.6	61.1	60.8	60.4	60.9	.3
Unemployed	1,333	1,297	1,273	1,252	1,248	-84
Unemployment rate	8.1	7.8	7.7	7.6	7.5	-0.6
Hispanic origin						
Civilian labor force	14,918	15,215	15,314	15,356	15,596	693
Participation rate	68.0	68.8	68.7	68.3	68.8	.8
Employed	14,015	14,324	14,443	14,490	14,723	721
Employment-population ratio	63.9	64.8	64.8	64.4	64.9	1.0
Unemployed	903	892	870	866	873	-28
Unemployment rate	6.1	5.9	5.7	5.6	5.6	-0.5

¹ Estimates of over-the-year changes have been adjusted to reflect revisions to population controls introduced in January 2000.

because data for the "other races" group are not presented and Hispanics are included in both the white and black population groups.

NOTE: Detail for race and Hispanic-origin groups will not sum to totals

SOURCE: Bureau of Labor Statistics, Current Population Survey.

ployed persons declined for the 8th consecutive year, and the unemployment rate reached a 31-year-low of 4.0 percent in 2000. (See table 2 and chart 7.)

Virtually all of the employment growth occurred among adults aged 20 years and older. Employment increased by 739,000 for adult men and by 684,000 for adult women. The percentage of adult men who were employed in 2000 was about unchanged from 1999, at 73.9 percent. The employment-population ratio for adult women was 58.6 percent, about unchanged from 1999's record high. During most of the current expansion,⁷⁸ the ratios for men and women have continued the long-term pattern of convergence, with the women's ratio growing slightly faster than that for men. (See chart 8.) The number of unemployed adults decreased by 53,000 in 2000. The unemployment rate for adult men was 3.4 percent in 2000, unchanged from 1999. For adult women, the unemployment rate edged down to 3.4 percent, their lowest fourth-quarter rate since 1952.

The labor market situation for teenagers (persons aged 16 to 19 years) changed little between 1999 and 2000. The teenage unemployment rate edged down to 12.9 percent—their lowest rate since 1969. In 2000, 45.5 percent of teenagers were employed; a rate higher than the 42.2 percent at the beginning of the current expansion. Nevertheless, the percentage of teenagers employed is lower than the historical fourth-quarter peak

of 48.7 percent in 1978. In 2000, 1 of every 4 employed teenagers worked in sales occupations (mostly in retail and personal service sales).⁷⁹ Nearly one-third of teenagers held service positions, primarily in food services. Another 24 percent of employed teenagers were almost equally split between administrative support occupations and handlers, equipment cleaners, helpers, or laborers.

Among the race and ethnic groups, employment grew fastest for Hispanics. The number of employed Hispanics aged 16 and older grew by 5.1 percent; this compares with increases of 2.0 percent for blacks and 0.8 percent for whites. Part of the strong employment growth for Hispanics reflects population growth. The Hispanic population grew by 3.5 percent in 2000, while the black and white populations grew 1.6 percent and 0.8 percent, respectively. However, the increase in employment for Hispanics also reflects an increase in the percentage of their population that was employed. Their employment-population ratio reached an all-time high of 64.9 percent.⁸⁰ Among whites, the employment-population ratio remained unchanged over the year at 64.9 percent; among blacks, the ratio edged up slightly to 60.9 percent. Over the course of this expansion, the employment-population ratio grew the most for blacks (by 5.6 percentage points) and Hispanics (by 5.1 percentage points), growing closer to the rate for whites, which increased by only 2.2 percentage points.

Chart 7. Unemployment rate, 1969–2000, seasonally adjusted

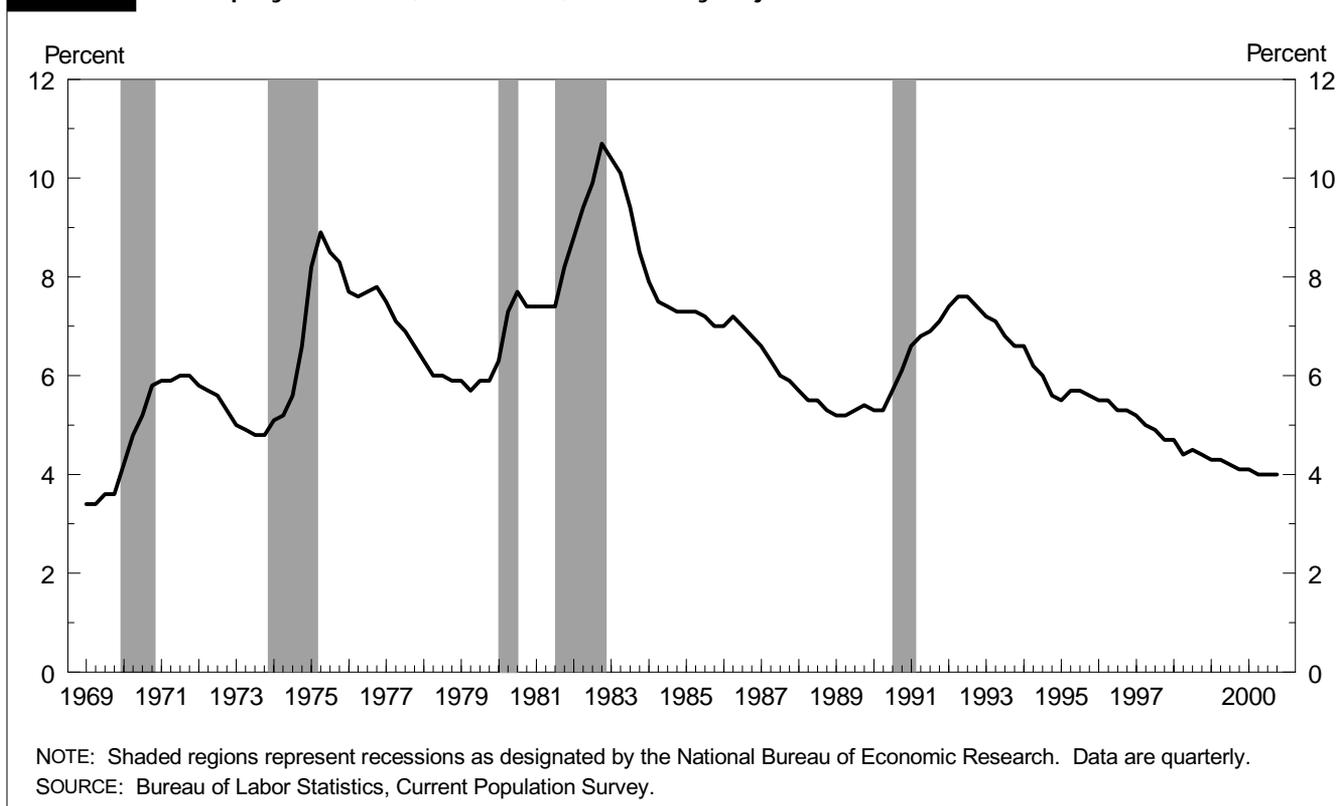
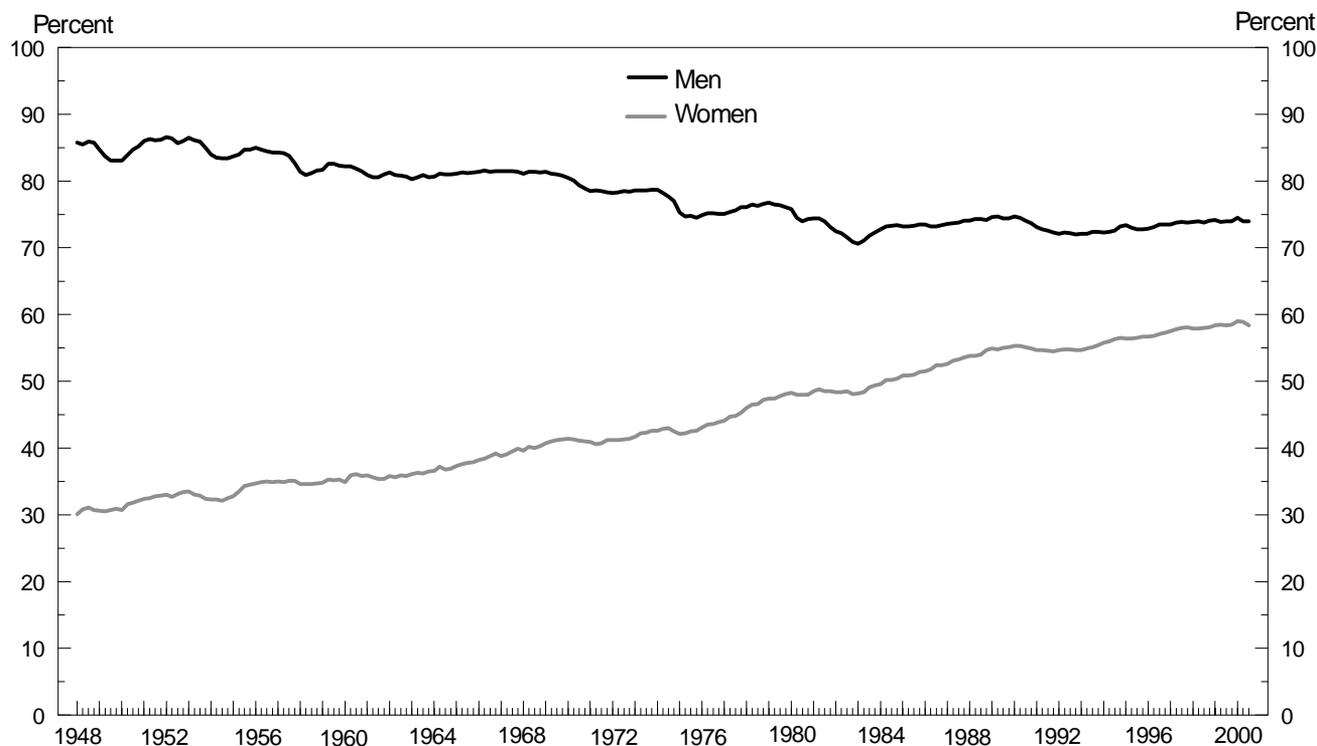


Chart 8. Employment-population ratio of adults ages 20 and older, 1948–2000, seasonally adjusted



The unemployment rates for Hispanics (5.6 percent) and blacks (7.5 percent) declined to record lows in 2000, whereas the rate for whites (3.5 percent) was unchanged from the prior year's 3-decade low.⁸¹ Though the unemployment rate for whites remained lower than that for blacks and Hispanics, the gaps between the unemployment rates for whites and blacks and for whites and Hispanics narrowed over the year.

Among workers aged 25 years and older, all of the employment gains were for workers with at least some college experience. Employment increased by 534,000 for workers with some college, and by 642,000 for workers with a bachelor's degree or more.⁸² For workers with a high school diploma or less, employment declined. The unemployment rate was about unchanged for persons with less than a high school education (at 6.4 percent) and edged up for persons with a high school diploma (to 3.5 percent). The unemployment rate remained about unchanged for persons with some college experience (at 2.6 percent) and among college graduates (at 1.6 percent).

The number of employed persons aged 16 and older working usual full-time schedules (35 hours or more) increased to 112.3 million in 2000, accounting for 83.1 percent of the work force.⁸³ The percentage of workers employed full time has increased steadily since 1994 when it was 81.1 percent.⁸⁴ In 2000, men were more likely to have usual full-time schedules than were women; 89.8 percent of all employed men, compared

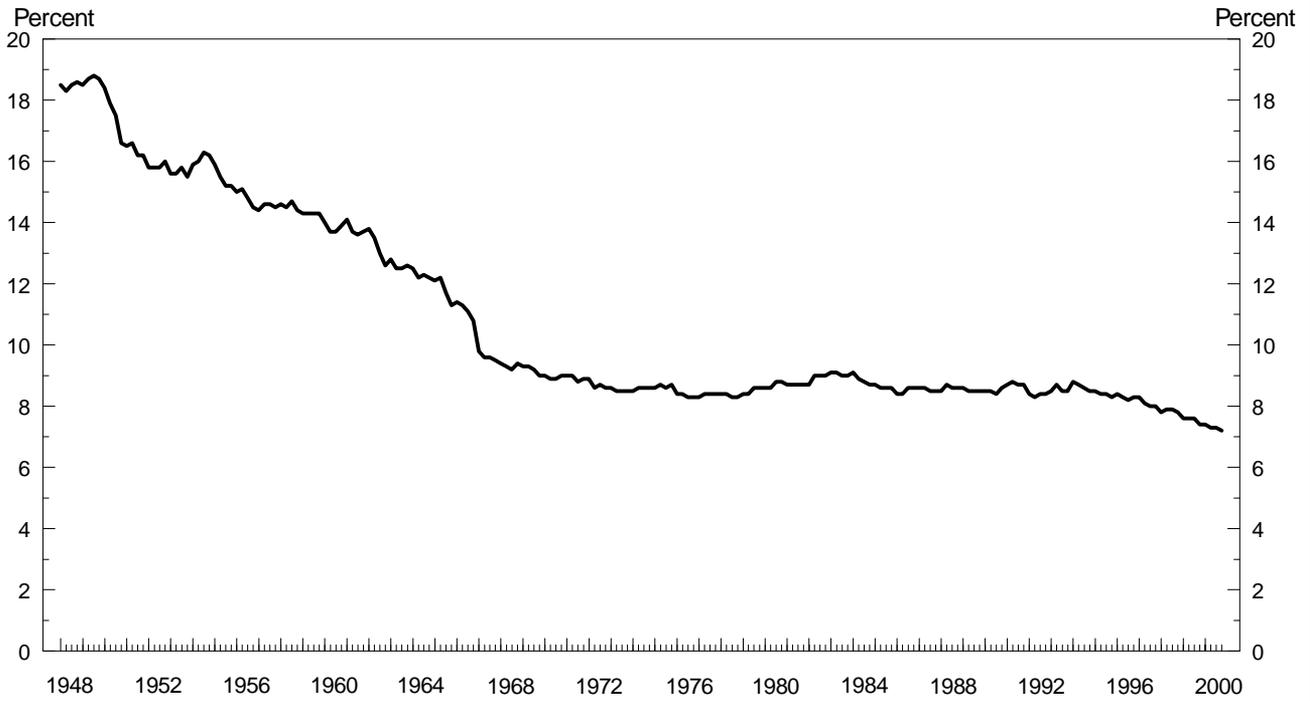
with 75.3 percent of employed women. However, the number of women working full-time schedules has been growing faster than that for men. Since 1994, the number of women working full-time increased by 15.7 percent; this compares with an increase of 10.4 percent for men.

Of the number of persons at work part time in 2000, 3.2 million (or 10.8 percent) did so for economic reasons, such as only being able to find part-time work. Since 1994, the number of persons at work part time for economic reasons has declined by 31.0 percent. Among those at work part time in 2000, women were less likely (8.8 percent) than men (14.1 percent) to work part time for economic reasons.

Of the total number of employed persons in 2000, the vast majority (93 percent) were wage and salary workers.⁸⁵ Most of the remaining 7 percent were self-employed, a percentage that has been on a long-term downward trend. In 1948, almost 1 in 5 workers were self-employed, many of them as farmers.⁸⁶ (See charts 9 and 10.) In 2000, men were more likely to be self-employed than women; 8.3 percent of working men were self-employed, versus 5.9 percent of employed women.

In addition to the 9.7 million persons who were self-employed in 2000, there were 4.4 million wage and salary workers who owned businesses that were incorporated.⁸⁷ The number of incorporated self-employed workers grew by 59,000 in 2000. Men were more likely to own an incorporated business than were women;

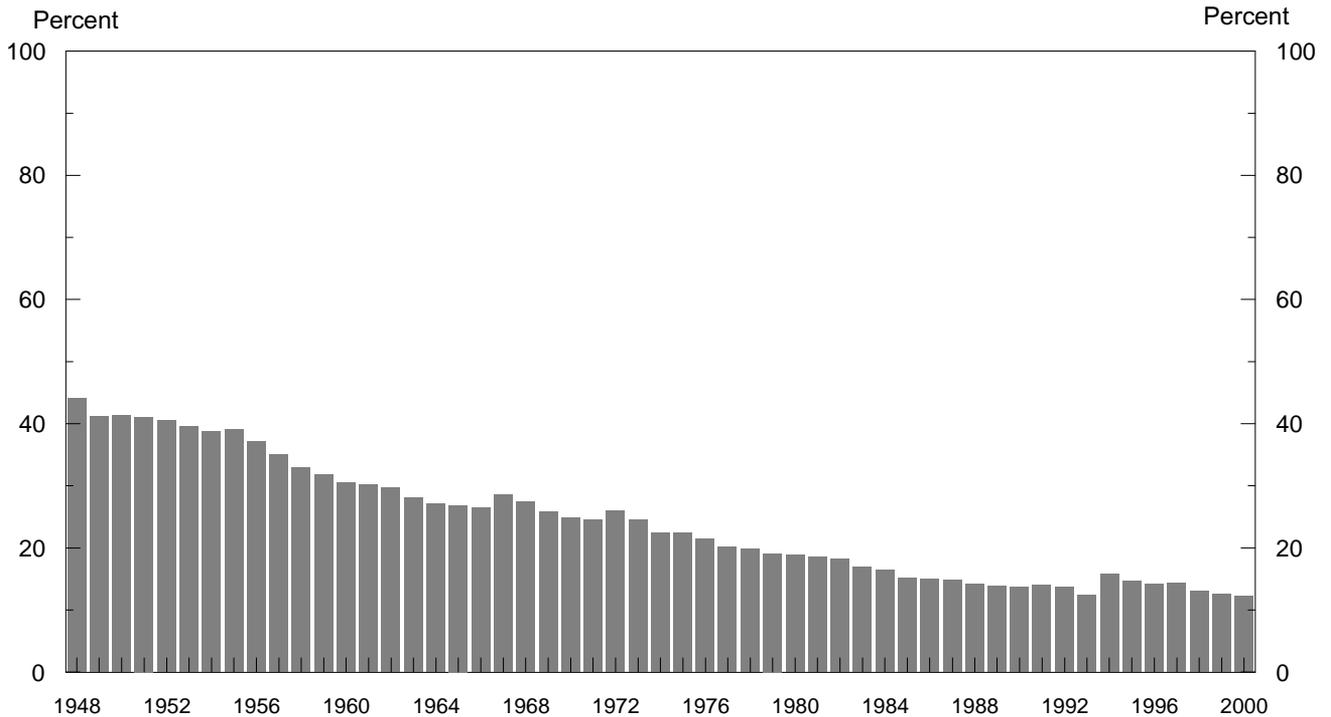
Chart 9. Self-employed as percentage of total employed, seasonally adjusted, 1948–2000



NOTE: Data are quarterly.

SOURCE: Bureau of Labor Statistics, Current Population Survey.

Chart 10. Share of total self-employed in agriculture, seasonally adjusted, fourth quarters, 1948–2000



SOURCE: Bureau of Labor Statistics, Current Population Survey.

of those business owners, almost two-thirds were men.

Among all wage and salary workers, employment grew the most in service occupations (811,000), followed by sales and administrative support occupations (493,000), and managerial and professional specialty occupations (340,000).⁸⁸ Within these broad occupational categories, strong growth occurred in food services, finance and business service sales, and financial records processing. Strong employment growth also occurred for mathematical and computer scientists, and schoolteachers.

Median usual weekly earnings increased faster than inflation in 2000, marking the fourth consecutive year of increases in real earnings.⁸⁹ Earnings gains were widespread, growing particularly fast for blacks. The earnings gaps between blacks and whites closed slightly in 2000. At the same time, the number of hourly paid workers earning the minimum wage or less decreased.

Median usual weekly earnings of full-time wage and salary workers were \$576 in 2000, up 4.9 percent from \$549 in 1999.⁹⁰ The earnings gain was larger than the 3.4-percent rise in prices from 1999 to 2000, as measured by the Consumer Price Index for All Urban Consumers (CPI-U). In 2000, median weekly earnings for men who usually work full time were \$646, compared with \$491 for women. Since the Bureau of Labor Statistics began regularly collecting information on usual median weekly earnings in the CPS in 1979, the ratio of women's to men's earnings has increased by 13.5 percentage points.⁹¹ Women have gone from making 62.5 cents for every \$1 earned by men in 1979, to making

76.0 cents for every dollar in 2000. There are many possible factors underlying the continuing disparity between the earnings of men and women. Among these factors are differences in work schedules, educational attainment, length of experience in the work force, occupational and industry makeup of each group, and discrimination.

Among the race and ethnic groups, median weekly earnings rose the fastest for blacks, up 5.2 percent to \$468. This compares with an increase of 3.1 percent to \$591 for whites and an increase of 2.9 percent to \$396 for Hispanics. The gap in earnings between blacks and whites closed slightly in 2000. Over the course of the expansion, earnings increased by about 34 percent for whites and blacks; this compares with an increase of 27 percent for Hispanics. The disparity in earnings between the race and ethnic groups may be tied to the same factors as that for men and women: differences in educational attainment, length of experience in the work force, occupational and industry makeup of the groups, and discrimination.

In 2000, median usual weekly earnings rose in all four major educational groups. (See table 3.) Among persons aged 25 and older, earnings increased the most for workers with a college degree, rising by 4.2 percent over the year to \$896. Earnings for persons with some college experience or an associate's degree increased by 3.1 percent to \$598, while earnings for persons with a high school diploma increased by 3.3 percent to \$506, and earnings for those with less than a high school diploma increased by 4.0 percent to \$360.

Table 3. Quartiles and selected deciles of usual weekly earnings of full-time wage and salary workers, by educational attainment, annual averages 1999–2000

Educational attainment	Upper limit of:					
	Number of workers (in thousands)	First decile	First quartile	Second quartile (median)	Third quartile	Ninth decile
2000						
Total, 25 years and older	87,984	\$294	\$407	\$611	\$909	\$1,344
Less than a high school diploma	8,523	225	280	360	508	706
High school graduates, no college	27,637	279	364	506	716	966
Some college or associate degree	24,452	312	422	598	834	1,136
College graduates, total	27,372	448	625	896	1,325	1,870
1999						
Total, 25 years and older	86,352	\$284	\$393	\$592	\$872	\$1,260
Less than a high school diploma	8,459	215	267	346	494	680
High school graduates, no college	27,314	270	349	490	688	932
Some college or associate degree	23,949	300	404	580	798	1,079
College graduates, total	26,630	430	607	860	1,243	1,749

SOURCE: Bureau of Labor Statistics, Current Population Survey.

NOTE: Ten percent of all full-time wage and salary workers earn less than the upper limit of the first decile; 25 percent earn less than the upper limit of the

first quartile; 50 percent earn less than the upper limit of the second quartile, or median; 75 percent earn less than the upper limit of the third quartile; and 90 percent earn less than the upper limit of the ninth decile.

Among workers who had attained at least a high school diploma, earnings for the highest paid workers increased more than earnings for the lowest paid. For high school graduates with some college experience, earnings for the lowest paid workers increased by 4.0 percent to \$312, while the highest paid graduates saw their earnings rise by 5.3 percent to \$1,136. Among persons with a college degree, the difference in earnings growth for low and high paid workers was even more pronounced, 4.2 percent to \$448 for the lowest paid and 6.9 percent to \$1,870 for the highest paid.

For the second consecutive year, earnings for workers with less than a high school diploma increased at a faster rate for the lowest-paid workers than for the highest paid. Among these workers, earnings for the lowest paid workers increased by 4.7 percent to \$225, while the highest-paid workers saw their earnings increase by 3.8 percent to \$706.

Of the 120.8 million wage and salary workers (aged 16 and older) in 2000, 60.2 percent were paid hourly rates. Of these hourly paid workers, 3.7 percent (or 2.7 million) earned the prevailing minimum wage or less; significantly lower than the series peak of 15.1 percent in 1980.⁹² Part of the decrease over time in the proportion of workers with earnings at or below the prevailing minimum reflect the fact that minimum wage increases have not kept up with overall wage growth. For example, from 1981–90, median hourly earnings rose by 41.6 percent, while the minimum wage rate was unchanged. It is reasonable to assume that many of those who would have earned minimum wage benefited from the general rise in the market wages over this period. The increase in earnings would bring these persons above the minimum wage, and hence, the percentage of employed persons earning the minimum wage would likely decrease.

In 2000, women were more likely than men to be earning the minimum wage or less; 4.8 percent of hourly paid women, compared with 2.6 percent of hourly paid men. However, this gap closed a bit over the year, as the decrease in the number of women earning minimum wage or less was greater than the decrease in the number of men earning minimum wage or less.

Nine out of every ten families with children under the age of 18 had an employed parent in 2000. A greater percentage of white families with children had at least one employed parent than had Hispanic families. In turn, a greater percentage of Hispanic families with children had an employed parent than had black families. In almost 2 out of every 3 married-couple households, both the mother and the father were employed. However, the age of the youngest child appears to have influenced the labor market activity of the parents.⁹³

Of the 34.3 million families with children under the age of 18 in 2000,⁹⁴ 73 percent (or 24.9 million) were married-couple families.⁹⁵ Unmarried mothers maintained the majority of the remaining families (7.6 million), while unmarried fathers maintained 1.8 million families with children.⁹⁶ Of the families main-

tained by an unmarried parent, the percentage maintained by the father increased from 16 percent in 1994 to 19 percent in 2000. Among families with children under the age of 18, white (77 percent) and Hispanic (71 percent) families were more likely to be maintained by married couples than were black families (43 percent). However, since 1994, the proportion of black and Hispanic families with children that are headed by married couples has increased slightly. For whites, that proportion has declined slightly.

The vast majority (92.0 percent) of all families with children under the age of 18 had at least one parent who was employed in 2000.⁹⁷ (See table 4.) Married-couple households were more likely to have at least one employed parent than were families maintained by an unmarried parent; 97.5 percent of married-couple families, compared with 75.5 percent of families maintained by the mother and 86.5 percent of families maintained by the father. Both the mother and father worked in 7 out of every 10 married-couple families whose youngest child was aged 6 to 17. If the youngest child was under the age of 6, both parents worked in slightly fewer than 6 out of every 10 married-couple families. The father, but not the mother, was employed in almost 2 in 5 married-couple families with children under the age of 6. It was relatively uncommon in 2000 for mothers of children younger than 6 to be working and not the fathers; this occurred in only 3.0 percent of such families.

White families with children under the age of 18 were more likely to have an employed parent (93.7 percent) than were Hispanic families (88.6 percent), who in turn were more likely than black families, (82.8 percent).⁹⁸ However, since 1994, the percentage of families with at least one employed parent has increased by 11.2 percentage points for blacks and 9.5 percentage points for Hispanics; this compares with an increase of 3.1 percentage points for whites. In 2000, both the mother and father worked in 67.9 percent of black married-couple families and 64.2 percent of white families with children under the age of 18, compared with 51.3 percent of Hispanic families. In contrast, the father worked, but not the mother in 40.1 percent of Hispanic families; this compares with 29.9 percent of white families and 20.2 percent of black families.

The average combined weekly hours at work for married couples with children edged up to 65.5 hours in 2000.⁹⁹ Since 1969, total weekly hours have increased by 9.3 hours (to 68.1 hours) for couples with children aged 6 to 17, by 10.3 hours (to 63.9 hours) for couples with children aged 3 to 5, and by 11.7 hours (to 60.7 hours) for couples with children under 3 years of age. Most of the increase in average combined weekly hours at work for married couples with children can be attributed to an increase in the labor force participation rate among married women, and to their trend toward year-round work.

In 1999, the latest year for which annual income data are available, the median yearly income of families with children under 18 years old was \$48,711.¹⁰⁰ Married-couple families in which both parents (and no other family members) worked had

Table 4. Families with children by employment status of parents, age of youngest child,¹ and family type, annual averages, 1994–2000

[Levels in thousands]

Characteristic	Total, all races						
	1994	1995	1996	1997	1998	1999	2000
Families with children under 18							
Total	33,189	33,544	33,980	34,129	34,232	34,340	34,340
With employed parents	29,086	29,659	30,296	30,761	31,100	31,493	31,600
Percent of total	87.6	88.4	89.2	90.1	90.9	91.7	92.0
Married-couple families, total	24,319	24,604	24,818	24,762	24,820	24,904	24,915
Percent with:	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Father employed, not mother	28.6	28.5	28.2	28.2	28.9	29.1	29.2
Mother employed	67.3	67.6	68.3	68.7	68.1	68.2	68.3
Father and mother employed	62.6	63.0	63.9	64.5	64.1	64.1	64.2
Mother employed, not father	4.7	4.6	4.4	4.2	4.0	4.2	4.1
Neither parent employed	4.1	3.9	3.5	3.1	2.9	2.7	2.5
Families maintained by mother ²	7,414	7,433	7,469	7,623	7,573	7,653	7,613
Percent with employed mother	61.6	64.0	65.9	69.2	71.8	74.7	75.5
Families maintained by father ²	1,455	1,507	1,692	1,745	1,839	1,782	1,812
Percent with employed father	82.4	83.7	83.7	85.8	85.5	86.3	86.5
Families with youngest child 6 to 17							
Total	17,993	18,270	18,694	18,989	19,209	19,364	19,382
With employed parents	16,078	16,391	16,892	17,274	17,551	17,825	17,892
Percent of total	89.4	89.7	90.4	91.0	91.4	92.1	92.3
Married-couple families, total	12,819	13,001	13,257	13,442	13,496	13,565	13,628
Percent with:	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Father employed, not mother	22.6	22.5	21.8	21.9	22.8	22.6	22.0
Mother employed	73.5	73.5	74.6	74.8	74.0	74.6	75.2
Father and mother employed	67.9	68.0	69.5	69.8	69.2	69.6	70.3
Mother employed, not father	5.5	5.5	5.2	5.1	4.8	4.9	4.9
Neither parent employed	4.0	4.0	3.5	3.3	3.2	2.9	2.8
Families maintained by mother ²	4,302	4,360	4,393	4,531	4,638	4,722	4,668
Percent with employed mother	70.8	72.1	73.3	74.9	77.0	79.1	79.6
Families maintained by father ²	872	909	1,044	1,015	1,075	1,077	1,086
Percent with employed father	83.1	84.3	84.8	86.8	84.9	84.8	85.5
Families with youngest child under 6							
Total	15,196	15,275	15,286	15,141	15,023	14,976	14,958
With employed parents	13,009	13,267	13,405	13,487	13,550	13,670	13,709
Percent of total	85.6	86.9	87.7	89.1	90.2	91.3	91.6
Married-couple families, total	11,500	11,604	11,562	11,320	11,324	11,340	11,287
Percent with:	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Father employed, not mother	35.4	35.3	35.6	35.6	36.2	36.9	37.8
Mother employed	60.4	60.9	61.0	61.4	61.1	60.7	59.9
Father and mother employed	56.6	57.3	57.4	58.2	58.0	57.4	56.9
Mother employed, not father	3.8	3.6	3.6	3.3	3.1	3.3	3.0
Neither parent employed	4.2	3.8	3.4	2.9	2.7	2.4	2.2
Families maintained by mother ²	3,112	3,073	3,076	3,092	2,936	2,931	2,945
Percent with employed mother	49.0	52.5	55.2	60.9	63.6	67.4	69.1
Families maintained by father ²	584	598	648	729	763	705	726
Percent with employed father	81.2	82.9	82.1	84.6	86.5	88.5	88.0

¹ Children are own children and include sons, daughters, step-children, and adopted children. Not included are nieces, nephews, grandchildren, and other related and unrelated children.

² Refers to families maintained by never married, widowed, divorced, or separated persons.

SOURCE: Bureau of Labor Statistics, Current Population Survey.

a median income of \$62,424. In married-couple families in which only one parent worked, median income depended on whether it was the mother or father who worked; income for families in which only the father worked was \$42,955; this compares with a median of \$31,248 when only the mother worked. Among

families maintained by an employed, unmarried parent, median income was \$18,933 for families headed by mothers and \$30,924 for families maintained by fathers.

Job growth continued across the United States as the Nation

enjoyed its tenth consecutive year of economic expansion, with the largest gains once again occurring in the West and South. Unemployment rates were steady or down slightly from the fourth quarter of 1999. During 2000, more than half the States achieved record low quarterly unemployment rates.

Unemployment. Every census region and geographic division attained its lowest quarterly unemployment rate on record in 2000.¹⁰¹ (See table 5.) The most marked unemployment rate declines over the year were recorded in the Northeast region, -0.4 percentage point, and its New England division, -0.8 point. The unemployment rate was down slightly in the South region, driven by declines in the West South Central and South Atlantic divisions. The Midwest rate held virtually steady over the year, despite a 0.4-percentage point rise in the West North Central division. The West region's rate was also essentially unchanged from 1999.

The relative positions of regions and divisions with respect to unemployment rates were largely stable over the year, owing to the lack of significant change in many parts of the country. The lowest regional unemployment rate was again reported in the Midwest (3.5 percent), which has held this distinction for each of the past 10 years. The highest incidence of regional joblessness was observed in the West (4.5 percent) for the ninth consecutive year. After experiencing a 0.4-percentage point drop from the previous quarter, New England recorded the lowest jobless rate (2.4 percent) among geographic divisions at the close of 2000. This is also the lowest quarterly unemployment rate on record for any region or division, and it marks the first quarter since 1989 that the lowest unemploy-

ment rate was posted by a division other than the West North Central. Meanwhile, the Pacific division registered the highest rate (4.8 percent) for the eighth year in a row.

Twenty-eight States established new quarterly low unemployment rates in 2000, while an additional five registered rates that matched lows established in a previous year. Four of the five States in the East North Central division, as well as seven of the eight States constituting the Mountain division, achieved new or equaled previous lows. In contrast, only 1 of the 5 States composing the Pacific division reported a new quarterly low in 2000. (See map 1.) New low *monthly* jobless rates were registered by 37 States in 2000, including all those in the East North Central and East South Central divisions.

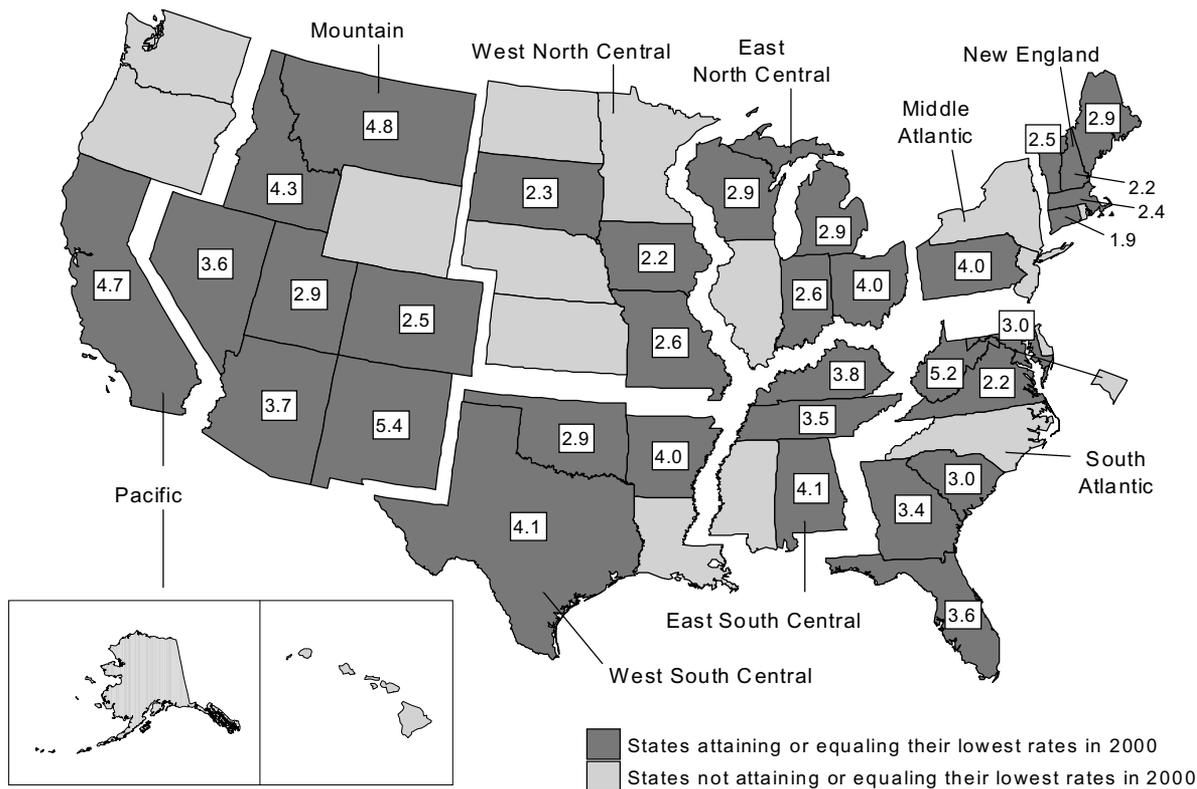
Employment. Nonfarm payroll employment increased in all four census regions in 2000.¹⁰² The most rapid expansion occurred in the West (2.9 percent) and South (2.0 percent). The Midwest had the slowest rate of increase (0.9 percent), just slightly below that of the Northeast (1.3 percent). These relative growth rates were reinforced by population shifts; in general, growth in the South and West has been buoyed by migration from the Northeast and Midwest in recent years. Even after adjusting for differences in population growth, however, the relative ranking of job growth among regions remains the same. Among the nine geographic divisions, gains ranged from 0.6 percent in the East South Central to 3.1 percent in the Mountain division. The Pacific (2.7 percent), West South Central (2.3 percent), and South Atlantic (2.2 percent) divisions also had above-average growth rates. The tabulation on page 25 lists nonfarm payroll employment growth in 2000 (in thousands).

Table 5. Unemployment rates for regions and divisions, quarterly averages, seasonally adjusted, 1999–2000

Region and division	Fourth quarter 1999	2000				Over-the-year change
		First quarter	Second quarter	Third quarter	Fourth quarter	
Northeast region	4.2	3.9	3.8	3.8	3.8	-0.4
New England division	3.2	2.8	2.7	2.8	2.4	-.8
Middle Atlantic division	4.6	4.3	4.2	4.2	4.3	-.3
Midwest region	3.4	3.3	3.4	3.5	3.5	.1
East North Central division	3.7	3.6	3.7	3.9	3.7	.0
West North Central division	2.7	2.6	2.7	2.7	3.1	.4
South region	4.0	3.9	3.9	3.8	3.8	-.2
South Atlantic division	3.7	3.5	3.5	3.5	3.5	-.2
East South Central division	4.3	4.2	4.2	4.1	4.4	.1
West South Central division	4.4	4.4	4.3	4.2	4.1	-.3
West region	4.6	4.5	4.6	4.6	4.5	-.1
Mountain division	3.9	3.7	3.6	3.7	3.7	-.2
Pacific division	4.9	4.8	5.0	5.0	4.8	-.1

SOURCE: Bureau of Labor Statistics, Local Area Unemployment Statistics Program.

Map 1. States attaining or equaling lowest quarterly unemployment rate in 2000, seasonally adjusted



NOTE: Series low rates are provided for those States that achieved new or matched previous lows in 2000.
 SOURCE: Bureau of Labor Statistics, Local Area Unemployment Statistics Program.

Region	Job growth	
	Number	Percent
Northeast	334.1	1.3
New England	103.5	1.5
Middle Atlantic	230.6	1.3
Midwest	289.3	.9
East North Central	163.4	.7
West North Central	125.8	1.3
South	890.0	2.0
South Atlantic	527.6	2.2
East South Central	49.2	.6
West South Central	313.2	2.3
West	784.2	2.9
Mountain	259.2	3.1
Pacific	525.0	2.7

For most major industries, every geographic region and division posted net job growth in 2000. (See table 6.) Exceptions were confined to the industries that have been in decline for the past two decades or longer. Mining and manufacturing continued to shed jobs throughout much of the United States, with both the Midwest and Northeast regions registering a net loss in the number of mining jobs. Employment for that industry did post small gains, however, in four geographic divisions. No region saw a reversal in the trend of declining manufacturing employment, although the West South Central and Mountain divisions did experience small growth in the numbers of manufacturing jobs.

As in most recent years, the services industry accounted for the greatest number of new jobs in each region and division. In fact, services fueled at least one-third of net nonfarm employment growth in each region and geographic division,

Table 6. Percentage change in total nonfarm wage and salary employment by geographic division and major industry, seasonally adjusted, fourth quarter 1999–fourth quarter 2000

Division	Mining	Construction	Manufacturing	Transportation and utilities	Trade	Finance, insurance, and real estate	Services	Government
New England	4.9	6.0	-0.6	0.8	1.2	1.0	2.3	1.5
Middle Atlantic	-4.6	3.6	-1.2	1.1	1.3	.8	2.4	.6
East North Central	-3.8	1.3	-9	1.1	.9	.7	1.4	1.4
West North Central .....	.0	.6	-3	1.2	1.2	.9	2.5	1.3
South Atlantic	-9	2.9	-1.3	2.7	1.6	2.0	4.0	1.7
East South Central	-2.5	1.0	-2.2	1.2	1.0	.1	1.9	1.4
West South Central	1.7	4.1	.1	3.3	2.6	2.1	2.8	1.7
Mountain .....	.3	3.1	.9	3.0	3.2	1.1	3.9	3.6
Pacific .....	.7	7.4	-3	3.3	2.2	1.4	4.0	2.5

SOURCE: Bureau of Labor Statistics, State and Area Current Employment Statistics Program.

while accounting for more than one-half the growth in 3 of the 4 regions and 6 of the 9 geographic divisions. Trade ranked second in net job creation in all 4 regions and all geographic divisions except the East South Central, where government was the second most plentiful source of net job growth. Of the major industries, construction exhibited the highest percentage growth rates in the West (5.8 percent) and Northeast (4.3 percent) regions, while services grew at the quickest pace of any industry in the South (3.3 percent) and Midwest (1.7 percent). Construction grew most rapidly in 4 of the 9 geographic divisions—most notably at the brisk pace of 7.4 percent in the Pacific division. The services industry exhibited the fastest growth in 4 of the 5 remaining geographic divisions.

Growth rates in excess of 3.0 percent were registered by at least one major industry in all geographic divisions except the East North Central, West North Central, and East South Central. The Mountain and Pacific divisions, which experienced the fastest overall growth, showed widespread strength, as seven major industries combined had growth rates above 3.0 percent.

THE LABOR MARKET BEGAN THE YEAR 2000 on a strong note,

though the rate of growth slowed by the end of the year. Overall, nonfarm payroll employment increased by 1.6 percent over the year, down from its 2.2 percent growth in 1999. Slowing came in construction and across the service-producing industries, due to a combination of factors including higher interest rates, energy prices, and labor shortages. Mining employment, however, benefited from the higher energy prices. Manufacturing job losses diminished from 1999 to 2000, partly due to the strength of IT-related manufacturing and to improvements in aircraft orders. Yet, weakening in manufacturing industries related to construction and motor vehicles contributed to a reacceleration of factory job losses in the second half of the year.

The labor market situation improved for minority workers in 2000. The employment-population ratio reached record highs for both blacks and Hispanics. Also, blacks and Hispanics slightly closed the unemployment rate gap between whites, and blacks slightly closed the earnings gap between whites. The overall unemployment rate ended the year at 4.0 percent, the lowest rate since 1969. All four regions of the United States had historically low unemployment rates in 2000.

Notes

ACKNOWLEDGMENT: The authors thank Thomas Krolik, an economist in the Division of Local Area Unemployment Statistics, for his analysis of regional employment and unemployment.

¹ See the statements from the February, March, and May 2000 Federal Open Market Committee meetings, available on the Internet at <http://www.federalreserve.gov/fomc> (last accessed December 2000).

² At the time this article was written, fourth-quarter GDP data were not yet available.

³ Gross Domestic Product: Third Quarter 2000 (Final), Bureau of

Economic Analysis, December 21, 2000. <http://www.bea.doc.gov/bea/newsrel/gdp300f.htm> (last accessed in January 2001).

⁴ See box on page 4 for an explanation of conceptual differences between the Current Population Survey (CPS) and the Current Employment Statistics survey (CES).

⁵ Federal Reserve Chairman Alan Greenspan indicated in mid-October that “to date, the [general economic] spillover from the surge in oil prices has been modest.” Remarks made at the 18th Annual Monetary Conference: Monetary Policy in the New Economy, Cato Institute, Washington, D.C., on the Internet at <http://www.federalreserve.gov/boarddocs/speeches/2000/200010192.htm> (visited November 2000).

⁶ Over-the-year employment changes in this part of the article are based on fourth quarter comparisons of data from the Current Employment Statistics survey, using preliminary estimates for November and December 2000.

⁷ Data from the Energy Information Administration, on the Internet at http://www.eia.doe.gov/pub/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/current/txt/table13f.txt (visited January 2001).

⁸ The merger-related job cuts by petroleum companies are cited numerous times in the industry and financial press. See, for example, Tracy Cox, "Economies of larger scale," *National Petroleum News*, May 1999.

⁹ Christopher Palmeri, "Big Oil's Priority: Pump up the Stock Price," *Business Week*, Sept. 25, 2000.

¹⁰ Production as measured by the Federal Reserve's Industrial production index for petroleum products (SIC 29), on the Internet at <http://www.federalreserve.gov/releases/G17/table2a.htm> (visited January 2001).

¹¹ The December 1999–2000 change in gas prices are measured by the CPI-U for gasoline.

¹² Sales data are published by the *Automotive News* Data Center. These data are available on the Internet at <http://www.automotive-news.com> (visited January 2001).

¹³ Mary Connelly, "High-profit suvs pass pickups," *Automotive News*, Oct. 16, 2000.

¹⁴ Russell Grantham, "Fuel prices, other woes put trucking firms on the skids," *The Atlanta Journal-Constitution*, Sept. 30, 2000; Chern Yeh Kwok, "Trucking Industry Hit Hard by Record-High Gas Prices," *St. Louis Post-Dispatch*, Sept. 19, 2000. Truck tonnage data is published in the American Trucking Association's *Monthly Truck Tonnage Report*.

¹⁵ See, for example, "A surprise in January: Class 8 sales rise again," *Automotive News*, Feb. 28, 2000.

¹⁶ Sales data refer to Class 8 trucks and are published by *Automotive News*.

¹⁷ Truck tractor manufacturing is classified within part of motor vehicle assembly (SIC 3711) in the *Standard Industrial Classification Manual, 1987*.

¹⁸ See the statements from the February, March, and May 2000 Federal Open Market Committee meetings, available on the Internet at <http://www.federalreserve.gov/fomc> (visited January 2001).

¹⁹ The value of construction put-in-place statistics are produced by the U.S. Census Bureau; they are available on the Internet at <http://www.census.gov/const/www/c30index.html> (visited January 2001).

²⁰ The 2000 Federal Reserve Beige Book summaries consistently reported a softening in residential construction, but did not note any waning in commercial building until later in the year. These reports are available on the Internet at <http://www.federalreserve.gov/FOMC/BeigeBook/2000> (visited January 2001).

²¹ Data produced by the Mortgage Bankers Association of America and published online at <http://www.mbaa.org/marketdata> (visited January 2001).

²² Sheila Muto, "Prefab Home Makers See Sales Slowdown—Buyers Tend to Be First to Feel Effects of Tighter Credit," *The Wall Street Journal*, May 18, 2000; and "Manufactured Housing Industry Begins to Rebuild Itself," report by the Manufactured Housing Institute, available on the Internet at <http://www.manufacturedhousing.org/>

[MC_poised_for_comeback.html](#) (visited November 2000).

²³ Data from the U.S. Census Bureau, Manufacturers' Shipments Inventories, and Orders program, available on the Internet at <http://www.census.gov/indicator/www/m3/index.html> (visited January 2001).

²⁴ See for example the June, August, and September 1999 Beige Book summaries, available on the Internet at <http://www.federalreserve.gov/romc/BeigeBook/1999> (visited January 2001).

²⁵ Trade data by SIC is available from the U.S. International Trade Commission's interactive tariff and trade databweb, <http://dataweb.usitc.gov> (visited January 2001).

²⁶ This is a comparison of January–November 2000 retail sales with respect to the same period in 1999. The Census Bureau produces data on retail sales, which are available on the Internet at <http://www.census.gov/econ/www/retmenu.html> (visited January 2001).

²⁷ See *Key Trends in Securities Industry since 1990*, Securities Industry Association, on the Internet at http://www.sia.com/publications/html/trends_during_1990s.html (visited December 2000).

²⁸ The U.S. Census Bureau produces these data covering U.S. imports for consumption of steel products, not seasonally adjusted, for January through November 1999 and 2000. The data are available online at http://www.census.gov/foreign-trade/Press-Release/steel_index.html (visited January 2001).

²⁹ Robert Guy Matthews, "Too much steel, too few remedies," *The Wall Street Journal*, Oct. 23, 2000.

³⁰ See the PPI for blast furnaces and basic steel products, available online at www.bls.gov/ppihome.htm (visited January 2001).

³¹ Import data by SIC industry comes from the U.S. International Trade Commissions tariff and trade databweb.

³² The comparison is made at the 2-digit level using the 1987 Standard Industrial Classification (SIC) system.

³³ Import data by SIC industry comes from the U.S. International Trade Commissions tariff and trade databweb.

³⁴ Data are from the U.S. International Trade Commission's Interactive Tariff and Trade databweb, and from the International Trade Administration Office of Textiles and Apparel, on the Internet at <http://otexa.ita.doc.gov> (January 2001).

³⁵ Passed in May 2000, The Trade and Development Act of 2000 provided (as of October 1, 2000) eligible countries duty-free, quota-free treatment for apparel assembled from U.S.-made fabric, yarn, and thread, or from fabric formed in any beneficiary country from U.S.-manufactured yarns. The text is available on the Internet at http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=106_cong_public_laws&docid=f:publ200.106 (last visited December 2000).

³⁶ Textile finishing involves operations including bleaching, dyeing, printing (roller, screen, flock, plisse), and other mechanical finishing, such as preshrinking, calendering, and napping. Establishments in this industry perform finishing operations on purchased textiles or on a commission basis. The continued job losses in this industry contrast with the end of such losses in *broadwoven fabric mills* and *yarn and thread mills*. See *Standard Industrial Classification Manual, 1987*, available on the Internet at <http://www.osha.gov/oshstats/sicser.html> (visited January 2001).

³⁷ "The U.S. aerospace industry booked \$32.4 billion in firm orders," *Aviation Week & Space Technology*, Sept. 18, 2000.

³⁸ Data on unfilled orders for aircraft, missiles, space vehicles and parts are from the U.S. Census Bureau, Manufacturers' Shipments, Inventories, and Orders program, available on the Internet at <http://www.census.gov/indicator/www/m3/index.html> (visited January 2001).

³⁹ Vince Galloro, "Embracing PPS," *Modern Healthcare*, Sept. 25, 2000, p. 14.

⁴⁰ The text of the Balanced Budget Refinement Act of 1999 is available online at <http://www.hcfa.gov/regs/bbra> (last visited January 2001).

⁴¹ Richard Haugh, "A long-awaited (yet dreaded) debut," *Hospitals & Health Networks*, Sept. 2000, p. 16.

Unlike the prior cost-based system, the outpatient prospective payment system pays hospitals set amounts for about 700 procedure groups. Reimbursements are calculated using national average historical costs with an adjustment for regional wage differences. See, for example, Ann Saphir, "New PPS brings mixed blessing," *Modern Healthcare*, June 26, 2000, pp. 86–88.

⁴² Laurie McGinley, "Hospitals feel sting of cuts from insurers," *The Wall Street Journal*, Mar. 16, 2000, p. B2.

⁴³ Mary Chris Jaklevic, "Positive outlook for not-for-profits," *Modern Healthcare*, Oct. 30, 2000, p. 2; and Barbara Kirchheimer, "Profits up for four hospital chains," *Modern Healthcare*, Oct. 30, 2000, p. 20.

⁴⁴ Both the Job Partnership Training Act and the Workforce Investment Act are available on the Internet at <http://wdr.doleta.gov/readroom/legislation> (last visited January 2001).

⁴⁵ Brian Sharp, "Onestop job shopping progresses, slowly," Gannett News Service, June 30, 2000. Alice Lipowicz, "City slapped over job training program: Funds delayed, critics charge city just doesn't care," *Crain's New York Business*, Aug. 21, 2000.

⁴⁶ Carlos Tejada, "Fewer youths get a shot at summertime jobs programs," *The Wall Street Journal*, June 27, 2000.

⁴⁷ See, for example, Wes Basel, "No More Desks to Conquer," *The Dismal Scientist*, http://www.dismal.com/todays_econ/te_120600_2.asp (visited December 2000).

⁴⁸ This measure is a ratio of 3-month moving average bookings to 3-month moving average shipments for the North American semiconductor equipment industry. It is produced by Semiconductor Equipment and Materials International and Arthur Andersen and is published online at <http://www.semi.org/web/wmktstats.nsf> (visited January 2001).

⁴⁹ Output per hour in Computer and office equipment surged by 875 percent between 1990 and 1998; data are from the Bureau of Labor Statistics Industry Labor Productivity program, <http://www.bls.gov/iprhome.htm> (visited January 2001).

⁵⁰ Historical data from the Federal Reserve's Industrial Production and Capacity Utilization program, <http://www.federalreserve.gov/releases/G17> (visited January 2001).

⁵¹ Although it seems intuitively true that employment growth would precede production capacity growth, this relationship does not appear as consistently for some other manufacturing industries as it does for semiconductors.

⁵² Wes Basel, "IT Wags the Dog," *The Dismal Scientist*, http://www.dismal.com/todays_econ/te_080200.asp.

⁵³ This is a comparison of January–November 2000 retail sales, with respect to the same period in 1999. The Census Bureau produces data on retail sales, which are available on the Internet at <http://www.census.gov/econ/www/retmenu.html> (visited January 2001).

www.census.gov/econ/www/retmenu.html (visited January 2001).

⁵⁴ That is one strategy that department stores have used to try to recover market share from specialty retailers. Employment in department stores maintained its long-term downward march last year, with 5,000 jobs dropping off payrolls. See, for example, Evan Ramstad and Ann Zimmerman, "The Next Big Holiday Thing(s)—Anxious Retailers Await Walmart Promotion," *The Wall Street Journal*, Oct. 5, 2000.

⁵⁵ Those online sales operations are classified within wholesale trade.

⁵⁶ Each Federal Reserve Beige Book in 2000 cited reports of labor shortages, particularly of "qualified workers."

⁵⁷ The payroll survey cannot provide direct evidence because it measures the number of payroll positions that firms have filled, but not how many positions firms would like to fill and cannot.

⁵⁸ The comparison is at the 2-digit SIC level.

⁵⁹ The American Staffing Association publishes quarterly data on sales of temporary help services, available online at <http://www.natss.org/staffstats/qtrlytrends.htm> (visited January 2001).

⁶⁰ Jianfeng Pei, "Labor shortage restrains temporary-staffing firms," *Purchasing*, May 18, 2000.

⁶¹ See, for example, Timothy W. Brogan, "Thriving in a Dwindling Pool of Available Workers," *Staffing Success*, May-June 2000; it is also available on the Internet at <http://www.natss.org/staffstats/analysis.htm> (visited November 2000).

⁶² Staffing Industry Analysts, "Staffing Industry Assisted and Restrained by Tight Job Market," press release, May 17, 2000, available online at <http://www.sireport.com/pressreleases/forecastrelease.html> (visited December 2000).

⁶³ David B. Oppendahl, "Understanding the (relative) fall and rise of construction wages," *Chicago Fed Letter*, July 2000.

⁶⁴ The manufacturing workweek in December may have been affected by winter storms in the Midwest, and so, part of its December decline from 41.2 hours to 40.4 hours likely reflects that weather impact.

⁶⁵ Ron L. Hetrick, "Analyzing the recent upward surge in overtime hours," *Monthly Labor Review*, February 2000, pp. 30–33.

⁶⁶ The data in this section of the article are annual averages.

⁶⁷ *Currently looking* refers to job search activity conducted within the 4 weeks preceding the survey. Had these persons been looking within that period, they would have been counted as *unemployed* rather than *not in the labor force*.

⁶⁸ An analysis of data on persons *not* in the labor force, but who indicated that they want a job, reveals that their labor market attachment is generally weak. Specifically, Monica Castillo ("Persons outside the labor force who want a job," *Monthly Labor Review*, July 1998, pp. 34–42) found that 41 percent of persons not in the labor force in 1994 who said they wanted a job were actually in the labor force a year later. The percentage was slightly higher for marginally attached workers (48 percent). For discouraged workers, 45 percent were in the labor force in 1995.

⁶⁹ A redesigned Current Population Survey was introduced in 1994. Some of the categories of persons not in the labor force were subject to major changes in definition. As a result, historical comparisons for these categories are only possible back to 1994.

⁷⁰ The repeal of the Social Security "earnings test" came about with

the Senior Citizens' Freedom to Work Act of 2000. For more information, see the *Social Security Legislative Bulletin* (The President Signs the "Senior Citizens' Freedom to Work Act of 2000"), on the Internet at http://www.ssa.gov/legislation/legis_bulletin_040700.html (visited November 2000).

⁷¹ A May 1997 supplement to the Current Population Survey on reasons for working more than one job showed that 4 out of every 10 multiple jobholders did so to meet regular household expenses or to pay off debts. For more information, see "When one job is not enough," *ISSUES in Labor Statistics*, August 2000.

⁷² In fact, interest in hiring foreign workers has increased, notably in sectors, such as high-tech, where companies report difficulty in finding qualified workers. One result is the recent signing into law of a bill that would increase the number of H-1B visas issued to skilled technology workers from abroad.

⁷³ Information on the labor force status of the foreign-born are readily available from the Current Population Survey going back to 1996.

⁷⁴ The employment-population ratio increased with the number of years the foreign-born spent in the United States, peaking at 72.2 percent in 2000 for persons who immigrated between 1975–84.

⁷⁵ To calculate the change in employment that is due to population growth, the employment-to-population ratio for the first time period is applied to the population for the second period, and the employment level derived is compared with the employment level for the first period. To calculate the change in employment due to shifts in the proportion of the population among the separate labor force categories, multiply the population estimate for the second period by the difference in the employment-population ratios for the two periods. This change describes net change between labor force categories, not the gross flows between categories.

⁷⁶ The data presented in this section of the article are seasonally adjusted fourth quarter figures, and over-the-year changes are based on fourth-quarter 1999 to fourth-quarter 2000 comparisons, unless otherwise noted.

⁷⁷ Beginning in January 2000, the population controls used in the CPS were revised to reflect newly updated information on immigration and an upward revision in the number of deaths. As a result, the civilian noninstitutional population 16 years and older was lowered by about 215,000. The labor force level decreased by about 125,000 and employment declined by 120,000. Overall and subgroup unemployment rates and other percentages of labor market participation were not significantly affected. Over-the-year changes in this article, which are generally based on fourth-quarter-1999 to fourth-quarter-2000 comparisons, have been adjusted for the effects of these revised population controls, unless otherwise noted.

⁷⁸ The National Bureau of Economic Research (NBER) determined that the trough of the recession in the early 1990s occurred in March 1991; hence, the expansion of the 1990s officially began in March 1991. The NBER designation will be used in this article. However, it should be noted that many labor market indicators showed weaknesses well into 1992. The unemployment rate, for example, did not peak until June 1992.

⁷⁹ Data on employment by occupation are not seasonally adjusted.

⁸⁰ Historical data on the employment-population ratio are available beginning in 1954 for whites, 1972 for blacks, and 1973 for Hispanics.

⁸¹ Historical data on unemployment are available beginning in 1954 for whites, 1972 for blacks, and 1973 for Hispanics.

⁸² Over-the-year changes in employment status by educational attainment have not been adjusted to reflect revised population controls because adjustment factors were not available.

⁸³ The data presented on full-time and part-time schedules are annual averages.

⁸⁴ Data for 1994 and subsequent years are not directly comparable with data for 1993 and earlier years because of the introduction of a major redesign of the Current Population Survey.

⁸⁵ Data on class-of-worker status are not seasonally adjusted. The over-the-year changes have not been adjusted to reflect revised population controls because adjustment factors were not available for all of the class-of-worker categories.

⁸⁶ Self-employed persons are those who work for profit or fees in their own businesses, professions, trades, or farms. Only the unincorporated self-employed are included in the self-employed category. Persons with incorporated businesses are classified as wage and salary workers because they are paid employees of a corporation.

⁸⁷ Persons whose businesses are incorporated are technically wage and salary workers because they are paid employees of a corporation.

⁸⁸ Data on employment by occupation are not seasonally adjusted.

⁸⁹ Median earnings figures indicate the value that divides the earnings distribution into two equal parts, one part having values above the median and the other having values below the median. Earnings are before taxes and other deductions, and include any overtime pay, commissions, or tips usually received (at the main job in the case of multiple jobholders). Data refer to wage and salary workers (excluding all self-employed persons regardless of whether or not their businesses were incorporated) who usually work full time on their sole or primary job.

⁹⁰ The data presented in this part of the article are annual averages, and changes are based on a comparison of 1999 and 2000 figures. Over-the-year changes in median weekly earnings were not adjusted for revised population controls because adjustment factors were not available.

⁹¹ This aggregate ratio does not control for differences in many variables that may affect earnings. For more information on trends in the earnings of women, see Mary Bowler, "Women's earnings: an overview," *Monthly Labor Review*, December 1999, pp. 13–21.

⁹² The prevailing Federal minimum wage was \$5.15 in 2000 and \$3.35 in 1981.

⁹³ The Current Population Survey tabulates information on the labor market activity of all household members aged 16 and older. However, this section looks at the employment status of the parents only.

⁹⁴ Children are own children and include sons, daughters, stepchildren, and adopted children. Not included are nieces, nephews, grandchildren, and other related and unrelated children.

⁹⁵ The data on the labor force status of parents in families are annual averages. The Current Population Survey has information on family labor force status readily available on an annual average basis going back to 1994. Similar data are available from the March supplement to the CPS; these data are available going back to 1975. The annual average data were used in this article because, by definition, they are based on 12 months of data rather than 1, and hence, provide stronger estimates.

⁹⁶ In the Current Population Survey, families maintained by the mother or by the father refer to parents never married, widowed, divorced, or separated.

⁹⁷ This represents employment in a typical week in 2000. It is

expected that the percentage of families in which at least one parent had work experience in 2000 (worked at least some time during the year) would be higher. Indeed, the March 2000 Current Population Survey data on work experience in the prior year show that about 95 percent of families with children had at least one parent with work experience in 1999.

⁹⁸ A family is considered to have the same race and ethnicity as the householder. The “householder” refers to the person (or one of the people) in whose name the housing unit is owned or rented (maintained) or, if there is no such person, any adult member, excluding roomers, boarders, or paid employees. If the house is owned or rented jointly by a married couple, the householder may be either the husband or the wife. The person designated as the householder is the “reference person” to whom the relationship of all other household members, if any, is recorded.

⁹⁹ The data on average combined weekly hours at work are unpublished and were specially tabulated from the CPS for this article.

¹⁰⁰ Information on weekly earnings for families is not readily available from the Current Population Survey; however, data on family income are tabulated from the March supplements to the CPS by the Bureau of the Census. Though information on median income for families in 2000 is not yet available, the March 2000 supplement provides information pertaining to income in 1999.

¹⁰¹ The four regions and nine divisions are composed of the following States and the District of Columbia: Northeast: *New England division*—Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont; *Middle Atlantic division*—New Jersey, New York, Pennsylvania; South: *South Atlantic division*—Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; *East South Central division*—Alabama, Kentucky, Mississippi, Tennessee; *West South Central division*—Arkansas, Louisiana, Oklahoma, Texas; Midwest: *East North Central division*—Illinois, Indiana, Michigan, Ohio, Wisconsin; *West North Central division*—Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; West: *Mountain division*—Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming; *Pacific division*—Alaska, California, Hawaii, Oregon, Washington.

With the exception of California, State monthly unemployment rate series began in January of 1978. The California series began in January of 1980. Hence, quarterly unemployment rate series for the West region and the Pacific division date from the first quarter of 1980, while series for all other regions and divisions date from the first quarter of 1978.

¹⁰² Employment estimates for census regions and divisions are the sum of State estimates and are not intended to add to national totals. In addition, they are subject to revision resulting from re-estimation and updated seasonal adjustment effective with the release of January 2001 data.